Bennett Alone Can Save Beauharnois Investors

Largest Circulation of Any Canadian Financial Paper

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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Canadian Mining News Department Page 16

The Nation's Business

Canadian Insurance Finds Powerful Champions

U. S. Follows Lead of Canada

Saving Money by Uniting Police

Insurance Probe Has Slight Chance

THE business of insurance is too infrequently front page news in Canada but this week columns of insurance copy were set-up for daily newspaper readers throughout the country. One story which carried front page streamers in leading dailies concerned the investigation of the Sun Life and the North American Life asked for by Michael Luchkovitch, M.P. Another story which got two paragraphs covered the announcement by Senator Meighen in the Upper House that new federal insurance legislation would be withdrawn pending an attempted compromise between the Dominion and the provinces.

Those who know best the business of insurance in Canada realize of course that by far the most important of these two stories was not the one played up by the dailies, but the one which Senator Meighen announced. This story has tremendous and far-reaching significance in so far as Canadian insurance companies with their world-wide ramifications are concerned, and heralds the possible end of an influence that has been disturbing this business for the past two decades, namely, the question of insurance jurisdiction in Canada.

* * *

THE Luchkovitch story gives unfortunate publicity to a scurrilous attack on two leading Canadian companies—an attack which has been carried on unsuccessfully for the past twenty years, and which Prime Minister Bennett did well to scotch this week by his refusal to allow the matter further unsavory publicity.

Canadian insurance companies are among Canada's finest commercial assets. They have passed through exceedingly difficult times with flying colors and their books and transactions are wide open to the examination of a federal insurance department which is admittedly one of, if not the finest on this continent, and whose sole business is to look after the interests of Canadian policyholders in these institutions.

* * *

ONE of the most forceful and tactful of his recent addresses was made by the prime minister in refusing government support to the proposal for a parliamentary committee to go hunting for trouble in the life insurance business of Canada. Members of parliament made a mistake in the first place in paying any attention to the recent scurrilous attacks upon two of Canada's leading life insurance companies, attacks that were by a self-admitted professional propagandist, who utilizes the medium of a once well-established but now thoroughly discredited publication.

The M.P.'s who took these wild charges so seriously could have discovered all they wanted to know by talking over the situation with the government's own capable, paid official, George D. Finlayson, superintendent of insurance. The propagandist, whose prints they have been reading, has been at his campaign for many years. He has carried on other similar campaigns. At one time he organized a Railway Users' Protective Association. All the officials were employees of his own but subscriptions of funds for propaganda purposes were sought from the general public. The Policyholders Association was a similar organization. The public now does not know what became of these dollar-seeking ventures. On another occasion, he was engaged in promoting a boycott of a certain Canadian company at the behest of a group that stayed under cover.

* * *

AT ONE time there issued from the presses of this individual a pamphlet entitled "First Aid and Prevention in the Home and Community." It was widely circulated and was labelled as the "annual report of the president of the Ste. Anne de Bellevue Association of the Victorian Order of Nurses." This "First Aid and Prevention" proved to be a most scathing attack upon the International Paper Company and the Sun Life! The president in question was the wife of this self-same propagandist.

Later, the members and executive of the Ste. Anne V. O. N. publicly repudiated the effort to use the good name of their organization for vicious propaganda.

* * *

THE Luchkovitch resolution calling for an investigation of the attacks upon the Sun Life and the North American Life consists largely of figures. The figures are juggled. The publication is apparently an expert in juggling fig-

(Continued on page 2, col. 4)

BUTTER RISE FINDS CANADA SUPPLIES LOW

With Supplies Depleted, High Prices Do Not Aid Dairy Companies

ABUNDANT MILK

All Avenues Being Sought for Surplus—Eastern Dairies Reported as Doing Well

Large dairy companies in which the public has a considerable interest have maintained their relative profit margins by reason of the drop in price paid to farmers for milk delivered in the large centres of population, passing on the lower price to consumers. Formerly independent distributors bought milk under the price paid by the larger operators and were cutting into their distributing business as well because of these lower prices. In Toronto larger dairy companies met the situation by dropping their price to the farmer from $1.80 per cwt. to $1.45 per cwt. on February 1, and the other operators have had considerable trouble in getting large supplies at under these prices. However, all companies report supplies offered them now at $1.10 per cwt. as there is still a large over-supply but the larger companies are still paying $1.45 per cwt.

Many farmers have talked of organizing distributing companies of their own; there have been many meetings of protest over the prices paid by cheese factories and others for their milk. There is only a temporary alleviation in the situation because of the increase in the price of butter. It is doubtful if much benefit will be gained by it as the price was driven to 16 cents a pound, Toronto and Montreal, below all reasonable costs, as those financing the butter were afraid to wait for a sufficient demand to take up existing supplies.

Butter Supplies Inadequate

It now turns out that supplies were inadequate, and many sellers claim that it should never have gone below 25 cents a pound. The difficulty now is that most of those who could have benefitted from the higher prices have sold out their supplies at the lower prices and for a month or so there will have to be careful husbanding of supplies in order to supply the market. The cold weather in the West will cut total available from dairy sections there. Importers are afraid to order supplies from Australia and New Zealand because it would take a month or more to receive such butter and it would probably arrive on top of growing local supplies. As butter is now eight cents a pound above the export point traders expect a considerable drop by May 1.

Expect Another Bump

Buyers and sellers of butter expect a second bump about May 1 as seasonal influences generally bring about a weakening in butter prices at that time, but in the meantime they will have to buy butter fat at high prices and may have an inventory loss to write off then.

Chains Not Cutting Prices

Fears of chain store price-cutting, raised in minds of shareholders of dairy companies by a recent speech of W. J. Pentland, of Dominion Stores, have been cleared away by the latter's statement that his speech was intended to refer to the selling price in his stores as 7 cents a pint rather than 7 cents a quart as he was understood. Reference to a verbatim account shows that neither pint nor quart was mentioned by Mr. Pentland and this accounts for the misunderstanding. The regular distributors are selling in Toronto at 10 cents a quart, well under the chain price.

Distributors in Toronto and Montreal are not concerned over the price war which has driven the price of milk down to 5 cents a quart in London, Ont. They state that that is a sheer loss all the way around and cannot be maintained. The price was established to fight price-cuters and it is believed that the situation will be changed within a week or two. Many farmers in townships where difficulty has been found in selling milk threaten to form independent distributing companies. The distributors re-

(Continued on page 2, col. 5)

C. P. R. Notes Have Conversion Privilege

Financing by the Canadian Pacific Railway is believed to be imminent by bond dealers although delay may be occasioned for legal reasons. Offering is expected to be made by a large syndicate headed by the Bank of Montreal, National City Co. and Dominion Securities Corp.

While official confirmation is lacking, it is expected that financing will take the form of a $10,000,000 issue of 10-year convertible notes carrying a 6 per cent coupon. The notes, it is anticipated, will be convertible into common stock on the basis of $25 per share. Interest on the notes would be payable in Canadian funds only.

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

Profit Sharing

How have C. P. R. employees fared with the stock they bought under the company's scheme? Page 9.

All About Mortgages

H. M. Forbes, of Toronto General Trusts Corporation, broadcasts this week's radio talk to investors. Page 9.

Natural Monopolies

Some mergers that are logical monopolies — public utilities, for instance—have good records. Page 3.

Attacking Insurance

Parliament will not listen to a professional propagandist muck-rake the life insurance business. This week's debate on the question brought forth some interesting speeches inadequately reported in the daily press so The Post runs longer extracts from them on page 10 and comments on the propagandist himself in "The Nation's Business," page 1.

Fairhall Group

Kitchener-Waterloo shareholders are fighting the recapitalization plan in diversified standard companies. They have dug up some startling facts. Page 11.

Russian Bogey

Trade threats of a year ago compared with actual results today. One of two interesting features is "The World at Large." Page 6.

Wages of Investors

Wages, salaries are down. Why not cut interest rates? This argument is heard widely. An editorial discusses it. Page 6.

Mines Report

International Nickel, Noranda, Premier, Kirkland Lake, McVittie-Graham, Howey all provide news. Pages 15 and 16.

Early Spring Signs May Herald Upturn

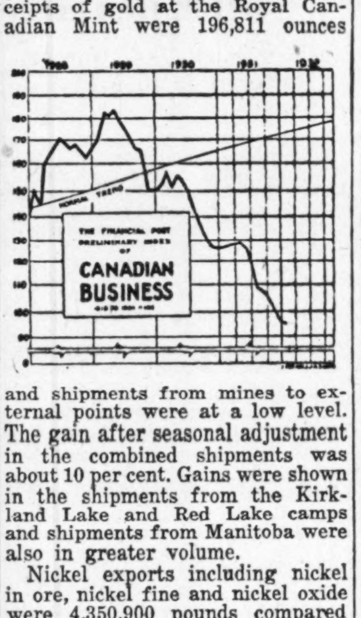
Preliminary February Returns From The Financial Post Business Index Find Nine of Fifteen Factors Gain

The Financial Post preliminary index of business indicates that the decline in evidence in preceding months had practically ended at least temporarily in February. The index was 95.5 in the month under review compared with 95.9 in January, after seasonal adjustment.

Actually nine factors out of the fifteen available at time of going to press showed gains in this comparison. Thus before seasonal revision (which consists in taking a three months moving average) the idex shows a moderate gain in February over the first month of the year. In the following analysis adjustment is made throughout for seasonal tendencies.

Mining Factors Gain

Among the items representing the trend of mining operations, gold and nickel were shipped in greater volume in February. Receipts of gold at the Royal Canadian Mint were 196,811 ounces and shipments from mines to external points were at a low level. The gain after seasonal adjustment in the combined shipments was about 10 per cent. Gains were shown in the shipments from the Kirkland Lake and Red Lake camps and shipments from Manitoba were also in greater volume.



Nickel exports including nickel in ore, nickel fine and nickel oxide were 4,350,900 pounds compared with 3,144,800 pounds in the preceding month.

Exports of blister copper and fine copper in ore amounted to 6,279,500 pounds compared with 8,294,000 in the first month of the year. Declines were shown in external shipments of zinc and asbestos, the demand for the latter product being at a low ebb.

Exports of planks and boards were 60,445,000 board feet for February compared with $53,847,000 in the preceding month. A gain of more than 5.5 per cent is normally shown between January and February but in this case the increase was considerably greater than normal for the season. Operations in the iron and steel industry were not greatly altered during the month, the output of primary products showing a moderate gain.

The trend in imports was upward in January, the actual gain being more than 4 per cent. Five groups out of the nine recorded gains in February. Exports showed a decline but the drop was less than normal for the season. Despite the drop in exports, the latter were still in excess of imports, February being the ninth consecutive month in which a favorable balance of trade has been recorded.

Carloadings Also Up

A bright spot for the month was the gain in the railway freight movement, loadings amounting to 174,178 cars in February compared with 165,838 in the first month of the year. The gain after seasonal adjustment was no less than 9.5 per cent.

While construction awards showed a gain in the month under review, the increase was somewhat smaller than the normal for the season.

Three Statutes Coming Soon For Insurance

Three new federal insurance acts will in all probability be presented to the Canadian Senate to replace the two statutes withdrawn last week, The Financial Post learns. The new acts it is anticipated will reflect the compromise negotiations which have been under way between federal, provincial and insurance company officials in recent weeks to bring about a solution of the vexed problem of insurance jurisdiction in Canada.

The first act which will appear, and which will probably be introduced by Senator Meighen this week will cover the operations of foreign companies doing business in Canada. The second act will cover the operations of British and Canadian companies and will probably appear next week. The third act will be a general act covering the regulations and duties of the federal superintendent of insurance and will embrace and outline the operations of this department both as to trust and loan and finance companies, as well as insurance.

Solvency Chief Base

If negotiations now underway are successful it is expected that the new legislation will be devoid of all controversial legislation and will aim to govern the business of insurance only on the basis of solvency in so far as questions of reserves, valuation of securities, inspection and similar fundamentals are concerned. No subjects such as contracts and other matters which are undoubtedly under provincial control will be mentioned, it is understood.

As to the vexed question of deposits for foreign mutual fire insurance companies which has been for many years a major point of controversy affecting fire insurance in Canada, no final solution has been reached as yet, although negotiations are underway and several alternatives are under discussion.

West Kootenay Earnings Covered Charges in 1931

From Our Own Correspondent

MONTREAL.—Earnings of West Kootenay Power and Light Co., though showing some reduction in 1931, are understood to have been sufficient to cover bond interest and preferred charges and preferred dividends. The company is a wholly-owned subsidiary of Consolidated Mining and Smelting Co. and public investment interest is largely confined to its bonds.

Industrial conditions in the area served, coupled with a restricted demand from its chief customer, the parent company, are factors which have tended to lower earnings in 1931. Output in the earlier months of the current year is reported to have shown some improvement.

The company's financial statement is usually released with that of "Smelters" and no figures on profits have been made public as yet. Whether a dividend on the common shares was paid last year has not been disclosed; in 1930 the company made a distribution of 15 per cent on its $6,112,000 of common stock. The parent company benefitted by this action to the extent of $916,800 since it holds 100 per cent control.

LOBLAW SELLS CHICAGO UNIT TO JEWEL TEA

Purchase Price Sufficient to Cover All Liabilities

KEEP BUFFALO UNIT

52 Stores in New York State Are on Sound Profit-Making Basis — May Expand

Loblaw Groceterias Inc. has sold its Chicago unit of 77 groceterias to Jewel Tea Co. at a price which will enable this subsidiary of Loblaw Groceterias Ltd., to pay off its entire liability by February, 1933. The company has retained its Buffalo unit which consists of 52 stores which are on a paying basis and which have shown improvement during the past year.

Jewel Tea Co. has acquired all inventories and store fixtures of the Chicago unit, has leased the warehouse with an option to purchase and has taken over leases under a provision by which Loblaw Groceterias Inc. may reacquire leases at a later date if Jewel Tea Co. does not continue them. The sale is regarded as being particularly favorable to Loblaw Groceterias Inc. since current conditions in Chicago have made it impossible to place the stores on a profit-making basis.

Operations of the company will now be centred in the Buffalo unit which is on a profit-making basis with 32 stores in Buffalo, nine stores in Rochester, two in Erie, Pa., one in Jamestown, Ohio, and the remainder in New York State. Liability of the company will be reduced by some $1,400,000, it is understood, and the remainder of payments by Jewel Tea Co. will be applied on expansion of the Buffalo unit.

Was Not Profitable

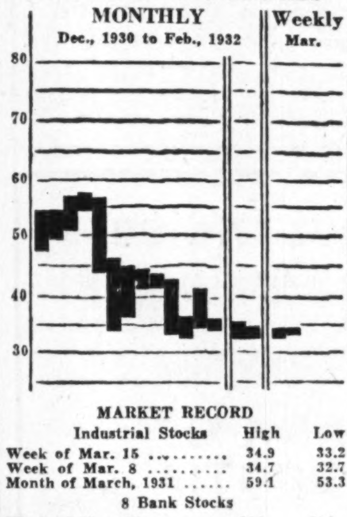
The Chicago unit showed net trading profit of $46,136, in the year ended April 30, 1931, before provision for depreciation of $121,136 and interest charges of $107,912. The net loss for the year was $182,939 which compared with $357,241 in 1930 and $192,354 in 1929. Unemployment in Chicago, labor and other difficulties have been faced since stores were first opened and with future conditions uncertain sale of the unit was considered advisable. Sales in Chicago increased from $2,486,346 in the year ended April 30, 1929, to $8,271,943 in the year ended April 30, 1931.

The Buffalo unit has shown good increases in net profit after interest and depreciation during recent years; net profit having increased from $49,628 in 1929 to $108,058 in 1930 and $162,025 in 1931. These profits have been used in establishing the Chicago unit and dividends have not been paid on the preferred and common stock of the company of which Loblaw Groceterias Ltd. holds 2,841 and 28,600 shares respectively. In 1931, a new warehouse was completed at Buffalo and the number of stores has been increased. Operating conditions are fairly similar to those encountered by the parent company in central Ontario.

At April 30, 1931, the American company had current assets of $1,743,764 and current liabilities of $2,223,435. Included in current liabilities was an advance from T. P. Loblaw of $1,645,000 and bank advance of $230,000. Mortgages payable amounted to $284,600. Sale of the Chicago unit will permit a large portion of advances to be paid off and should thereby reduce interest charges considerably. The Buffalo unit had interest charges of $42,436 in 1931. With the Buffalo unit definitely on a paying basis and with liabilities in respect of the Chicago unit wiped out and no further losses entailed from Chicago operations it would appear that dividend action on the shares of the United States company is brought so much nearer. Loblaw Groceterias Ltd. would benefit materially from such payment.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Mar. 15	34.9	33.2
Week of Mar. 8	34.7	32.7
Month of March, 1931	59.1	53.3
8 Bank Stocks		
Week of Mar. 15	204	204
Week of Mar. 8	204	204
Month of March, 1931	251	246
10 Public Utilities		
Week of Mar. 15	55	53
Week of Mar. 8	55	53
Month of March, 1931	89	82

Beauharnois Crisis Product of Politics

Prompt Action by Ottawa Now Necessary to Save Giant Enterprise from Wreckage—Record Detailed of Months of Blundering

Collateral trust bonds of Beauharnois Power Corporation were offered early this week at 30*, which gives evidence of the distrust in the minds of investors as to the future of that enterprise. It is somewhat surprising that these bonds should be selling at this figure when it is on record, in the House of Commons debates, that the prime minister of Canada said on July 31, 1931:

> "We shall provide for those people who put their money bona fide into this proposition under the debentures of $30,000,000.
>
> ". . . . But one provision must be that protection is given to the bona fide investors who have subscribed $30,000,000 to the enterprise and whose money has been there expended."

Whatever may have been in Mr. Bennett's mind in mid-summer last he probably does not now feel that the Government of Canada is under obligation to guarantee these debentures for which hundreds of investors in Canada paid $1,000 for each $1,000 par value.

The debenture holders themselves would hardly ask that. They bought the securities without a government guarantee. They have no right to a government guarantee now.

What Was Guaranteed by Government?

What then did Mr. Bennett's promise of last summer imply? It could have meant only one thing; that in its relations with the Beauharnois the Government would not by any action, or lack of action, or delay in action, jeopardize unfairly the position of the debenture holders and that it would, so far as was proper and within its power, facilitate a rearrangement of the Beauharnois rights and the Beauharnois finances that would be fair to the investors and the public.

This then was the promise. Those who do not agree with this interpretation of Mr. Bennett's promise may put their own interpretation on it. The essential fact is that the Government of Canada has, by stupid blundering and unnecessary delays, brought Beauharnois to such a crisis that its debentures have fallen in price at a headlong pace in recent weeks.

Investors Jeopardized by Months of Blundering

The holders of Beauharnois Power Corporation debentures have full justification for feeling that their position has been seriously jeopardized by the actions of the Dominion Government during the past year. Their claim to an immediate untangling of the skein of the corporation's affairs can adequately be hypothecated upon the procrastinations and vacillations of the Government since last summer, even if one relegates the definite or implied guarantee of the prime minister's statement of July 31 to a position of no practical importance. At the same time it may be admitted that Prime Minister Bennett has had a most difficult task to perform. While his policies have worked out badly, there is no denying his conscientious effort to square business and politics, and to bring order out of chaos.

A brief recital of the financial developments in Beauharnois since the report of the investigating committee was brought down will be sufficient to indicate the extent of the cabinet's contribution to the fall in the price of Beauharnois debentures and the development of the present impasse.

When the committee reported, the Government cancelled the existing order-in-council which, while not the foundation of the enterprise, was nevertheless an essential part of it. This order-in-council had set forth the terms upon which the company was permitted to withdraw water from the St. Lawrence River. The cabinet took power from Parliament to grant the company new rights but did not for some months decide upon the terms of these new rights. As a result of the political scandal and the cancellation of the order-in-council it was not possible to sell any additional bonds of the enterprise to finance it to completion. Had the new order-in-council been issued at once it might have been possible, last summer, to have sold anywhere between $10,000,000 and $40,000,000 of bonds to finance the work that was going on and that was giving employment to some 2,000 men on the job and many hundreds more in plants supplying equipment. When Britain went off the gold standard the prospect of selling any bonds at all became a hope deferred.

Public Ownership Move is Blocked

In any event, from the day the Beauharnois probe got under way, the problem of financing the enterprise to completion became very acute. When the committee reported and the order-in-council was cancelled the future of the enterprise was indeed much in doubt. There was a half-hearted attempt on the part of some members of Parliament to have the Dominion Government take over and complete the project, as a politically owned enterprise. The prime minister very shrewdly and very wisely blocked this move and for his stand on this matter The Financial Post, at the time, gave him the praise to which he was entitled.

For that matter, however, prospect of Dominion ownership of Beauharnois was always very flimsy. Water power is under the control of the provinces. Quebec province undoubtedly would not permit Dominion ownership of a power enterprise within its sphere of influence. It was not difficult for Mr. Bennett then to take his stand against public ownership. He admitted last summer that such a plan involved legal complications.

Montreal Power Denied Right to Develop

But there was one logical way out of the troubles. This was suggested by The Financial Post at the time. This was to permit Montreal Light, Heat and Power Cons. to take control of the enterprise. Montreal Power had millions in its treasury, having shortly before sold new stock to its customers and shareholders. It had millions more coming in. But above all it was the only interest that had the essentials necessary to complete the development and use the power and to pay the men and women who put their savings into the debentures. It had sound experience and good management, and the confidence of the public. It had a distribution system. It controlled a plant across the river which it could in time afford to scrap in order to throw the water through the new canal. It had a one-sixth stock interest in Beauharnois and a contract to buy 150,000 h.p. of Beauharnois' energy.

Mr. Bennett said thumbs down. His action was pure politics. Some people in Canada were afraid of making the Holt power trust any bigger. The West wanted public ownership. It was when Mr. Bennett refused to permit Beauharnois to go to Montreal Power that he made his first serious mistake, a mistake that may prove costly for Canada and more costly for investors.

Guaranteed Bank Loans as Substitute

His second serious and costly mistake came when he undertook, as a substitute for control by the Holt interests, to put the Government's guarantee on Beauharnois' bank loans.

Long before the committee reported, the proceeds of the original $30,000,000 issue had been exhausted. Three large banks had then advanced sums in equal amounts, taking as security the mortgage bonds which were later to be sold to the public. When the failure of the Government promptly to replace the old order-in-council with a new one jeopardized the legal security of these bonds the banks properly refused to risk their depositors' money on further advances. To keep the work going ahead the Government undertook to guarantee the bank advances, taking the first mortgage bonds as security.

So far as The Financial Post is aware the Government has never at any time given any official intimation that these guarantees were in force nor have the terms revealed. The whole affair has been kept secret.

During the year financial conditions failed to improve and the prospect of selling the first mortgage issue did not brighten. The initial guarantees grew and eventually the Government had backed some $7,000,000 of these bank advances. The Financial Post does not know the exact amount. The money was used to pay pressing bills, wages, etc. The guarantees would have been much larger had it not been that the larger creditors, including those who were supplying the expensive electrical equipment, did not press their claims for payment.

New Order-in-Council Takes Over Canal

Recently the Government had a change of heart and decided not to guarantee further bank advances. At the same time it issued an order-in-council which, whatever its merits, had the one serious feature of virtually confiscating for the use and benefit of the people of Canada approximately $16,000,000 worth of the investment made by Beauharnois Company.

The order-in-council vested in the people of Canada all the navigation features (such as the canal, bridges, etc., costing $14,000,000) and the land pertaining thereto (costing about $2,000,000).

The essential difference between the first order-in-council and the second one is that under the former one the company retained title to land and canal but undertook to open it freely for navigation pur-

(Continued on page 13)

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*They subsequently were quoted at a higher figure.

TRY TO SELL BEAUHARNOIS TO NEW GROUP

Quebec Operators May Unite and Assume Control

SITUATION PRESSING

Montreal Power, Canadian Hydro-Electric and Shawinigan Mentioned as Being Interested

From Our Own Correspondent

MONTREAL.—Joint control of the Beauharnois Power Corp. by three or more Quebec power companies has been discussed at recent conferences. It is understood that representatives of Canadian Hydro-Electric, Montreal Power Shawinigan and others conferred at the beginning of this week. No details are available as to the outcome of the meeting.

But it is understood that Shawinigan has indicated that it is not now interested.

The problem confronting Beauharnois at the moment is the payment of bond interest on April 1. Some $900,000 will be needed to meet this obligation and if payment is made in U. S. funds, another $100,000 will be required.

No Funds in Treasury

In last week's issue of The Financial Post it was pointed out that the Beauharnois trust deed on the collateral trust bonds called for the setting aside in escrow sufficient funds to take care of bond interest payments up to October 1, 1931.

The treasury has been bare for some time and unless the banks are willing to advance the money, it will be necessary to default the next interest payment. The banks already are understood to have loaned the company about $13,000,000 (about half of it under the guarantee of the Dominion Government) and are not especially anxious to increase their advances, without some assurance of an early return of their loans.

It would be possible for Beauharnois to pass its bond interest and accept the 90 days grace provided in the trust deed. This would not alleviate conditions, as it would likely cause demand for payment by various manufacturers who have supplied machinery to the company. The position of the company is precarious, but a solution to its troubles might come about in two ways either by continuance of government guarantees or by transfer to a new group, assured of some measure of government support.

Premier Gave Assurance

At the time of the parliamentary enquiry, the prime minister stated that the interests of the investors would be secured. Though there is no legal guarantee of any kind, investors are now asking what is the extent of the moral responsibility upon the part of the Federal Government to protect the enterprise from passing its bond interest.

The Government, on the other hand, has been called upon to assume many obligations which could not be foreseen at the time of the enquiry. Further, for the government to undertake to guarantee the interest on the bonds until the plant came into operation would constitute a precedent which would meet with opposition. Yet the government can lend its aid or co-operate in some way to devising a plan whereby the obligations of the company would be covered until such time as the enterprise is in the producing stage.

There is said to be opposition to Montreal Light, Heat and Power alone absorbing the enterprise. But with the banks apparently unwilling to make further loans the Federal Government must either assume some tangible obligation in respect to the enterprise, or facilitate the banding together of the other power companies to assume joint control.

Such a step would ensure com-

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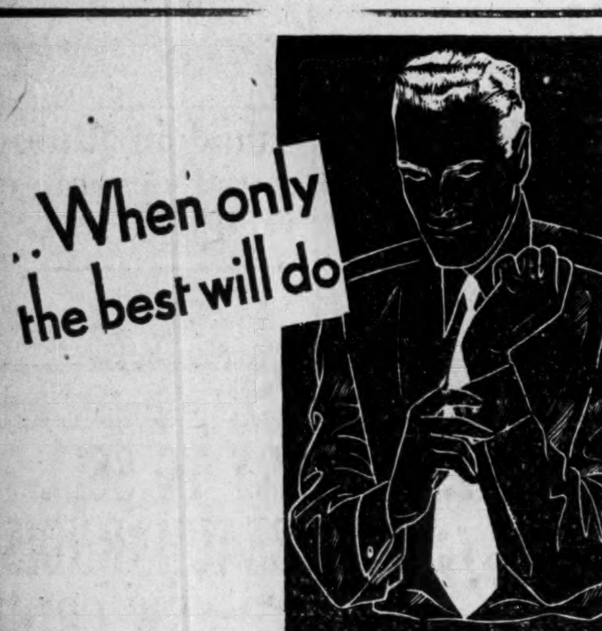
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THE STEEL COMPANY OF CANADA, LIMITED

Consolidated Balance Sheet, December 31st, 1931

ASSETS

COST OF WORKS owned and operated by the Company		$39,459,686.62	
INVESTMENTS IN AND ADVANCES TO Coal and Ore Mining Companies; and holdings of Company's own Bonds, including those acquired for Bond Sinking Fund		2,972,550.90	$42,432,287.52
CURRENT ASSETS—			
Cash on hand and in Banks		$ 1,307,426.43	
Secured Call Loans		300,000.00	
*Dominion of Canada Bonds and Approved Securities, at market		5,685,718.53	
Bills Receivable		83,050.93	
Accounts Receivable, less Reserve		2,355,041.46	
Inventories of Raw Materials, Supplies and Products, less Reserve		5,489,671.73	15,220,909.08
SECURITIES SET ASIDE FOR SPECIAL PURPOSES—			
Shares of the Company and National Service Loan held in Trust for Employees		$ 230,745.50	
Benefit Plan Fund		422,503.96	
Pension Plan Fund		802,241.69	1,455,491.15
DEFERRED CHARGES—			
Insurance and other Expenses paid in advance			58,595.53
			$59,167,233.28

*$52,000.00 Dominion of Canada Bonds are lodged with Royal Trust Company under the terms of Quebec Workmen's Compensation Act.

LIABILITIES

CAPITAL STOCK—			
Authorized—			
400,000—7% Cumulative Preference Shares of $25.00 each			
600,000—Ordinary Shares of no par value			
Issued—			
259,852—7% Cumulative Preference Shares of $25.00 each		$ 6,496,300.00	
460,000—Ordinary Shares of no par value		11,500,000.00	$17,996,300.00
FUNDED DEBT—			
6% First Mortgage and Collateral Trust Bonds, due July 1st, 1940, Authorized and Issued		$10,000,000.00	
Less Held in Treasury and by Sinking Fund Trustee		1,649,979.51	
		$ 8,350,020.49	
Less redeemed through Sinking Fund		3,911,904.57	4,438,115.92
CURRENT LIABILITIES—			
Accounts Payable, including provision for Income Tax, 1931		$ 1,083,112.85	
Bills Payable		10,074.09	
Unclaimed Dividends		3,153.10	
Dividends payable February 1st, 1932—			
Preference	$113,685.25		
Ordinary	201,250.00	314,935.25	1,411,275.29
FUNDS APPROPRIATED—			
Benefit Plan Reserve		$ 422,503.96	
Pension Plan Reserve		802,241.69	1,224,745.65
RESERVES—			
Operating Reserves—			
Furnace Relining and Rebuilding, and other Operating Reserves		$ 1,724,990.83	
Contingent Reserve		637,588.43	2,362,579.26
Plant Reserves—			
Depreciation Account		$11,694,360.17	
Bond Sinking Fund		4,214,096.17	15,908,456.34
Appropriated Surplus—			
For Betterments and Replacements		$ 1,829,674.06	
For Fire Insurance Reserve		200,000.00	2,029,674.06
SURPLUS—			
Balance as per Profit and Loss Account			13,796,086.76
			$59,167,233.28

Toronto, Ont., February 24th, 1932
Verified as per our report of this date.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Approved on behalf of the Board,
R. H. McMASTER } Directors.
H. H. CHAMP

Consolidated Statement, Profit and Loss Account

For the Year Ended December 31st, 1931

MANUFACTURING PROFITS for the Year ended December 31st, 1931, after deducting charges for Repairs, Maintenance, and providing for Income Tax 1931, but before providing for Depreciation and Bond Interest		$ 2,058,653.61
INTEREST AND INCOME from Securities and Investments		365,818.36
		$2,424,471.97
LESS RESERVES—		
Bond Sinking Fund	$ 350,166.58	
Depreciation	1,200,000.00	1,550,166.58
		$ 874,305.39
LESS INTEREST ON BONDS		275,755.88
NET PROFITS		$ 598,549.51
LESS DIVIDENDS Paid and Reserved—		
Preference Shares	$ 454,741.00	
Ordinary Shares	805,000.00	1,259,741.00
Deficit for the Year		$ 661,191.49
Balance brought forward December 31st, 1930	$14,502,444.00	
Less Retroactive Dominion Government Income Tax and Province of Ontario Capital Stock Tax for 1930	45,165.75	14,457,278.25
Balance Profit and Loss Account, December 31st, 1931		$13,796,086.76

MOTOR INDUSTRY IN ARMS AGAINST 6c GASOLINE TAX

Claim Increase Could be Avoided by Economy on Highways

Strong protest against the proposed increase in the Ontario gasoline tax from 5 to 6 cents a gallon is voiced editorially in the current issue of Canadian Automotive Trade, Toronto. Such an increase, this journal declares, is unfair discrimination against the motor car industry, and threatens the livelihood of an army of workers from the service station to the dozens of primary industries dependent on the automobile for employment.

Opinions of leading executives in the industry are quoted, these being to the effect that the increase will considerably decrease the consumption of gasoline in Ontario which means a definite slowing-up in the industry. Likewise, if Ontario sets the example other provinces will undoubtedly follow suit, is the claim. Such an increase could be obviated in Ontario entirely, it is held, if strict economy in the highway programme were instituted in place of this easy but vicious method of raising additional revenue.

The editorial says in part:

"Taxation of the motor car industry is assuming the proportions of unfair discrimination. Legislators are faced with declining revenues and, unwilling, and incapable because of lack of ability and business experience, to trim their expenditures to the point where ends meet, they are looking about for the easiest pockets in which to push the vacuum cleaner.

"For some reason, the automotive industry looks 'easy.' Customs tariffs, excise duties, sales taxes, income taxes, corporation taxes, business taxes, license taxes, gasoline taxes—the motor car industry is being strangled by taxes. And now the Ontario Government announces, in Hon. E. A. Dunlop's Budget speech, an increase in the gasoline tax from 5c to 6c.

"This is the last straw on the camel's back. Garage-owners, service station owners and operators, parts and accessory dealers, workers in automobile factories and in all those factories that supply the automotive industry, hotel and road-stand operators, and all the hundreds of thousands of people dependent in one way or another on the automobile, the bus and the truck for a living, have that living threatened by these taxes.

"Year after year, motor car owners are contributing more and more to provincial revenues. The income from motor vehicle licenses and gasoline tax in 1926 in Ontario was $9,791,803. By 1931, this levy on the motor car owner had jumped to $16,960,780. This is equal to approximately 85 per cent of the current expenditure for maintenance, interest and debt retirement on the provincial highways.

"Canadian Automotive Trade claims that the cost of maintenance of the provincial highways could be reduced, by the introduction of strict economy and the elimination of extravagance, to a point where no increase in the existing gasoline tax would be necessary."

The Nation's Business

(Continued from page 1)

ures. Its November issue was dated Vol. 57, No. 11. The January issue was dated Vol. 57, No. 6. Now comes the March issue with another haphazard selection of folio numbers. It is Vol. 58, No. 3. This is very significant. It indicates both the lack of character in the paper and the ineffectiveness of its mathematics.

* * *

THE resolution calling for an investigating committee has not been entirely dismissed but, being at the bottom of the order paper, it has little chance of even coming up for discussion again this year. It should remain in the scrap heap. No good purpose can be served at a time like this by permitting a parliamentary committee to be made a platform for reckless denunciations by persons who have no substantial regard for the fact that the strength of Canadian life insurance rests upon a basis of confidence and that to disturb that confidence now, even by misrepresentation, might easily prove injurious to all policyholders in all Canadian companies.

So long as Canada has a well-organized and efficient department of insurance no such parliamentary angling is necessary. And if any changes in the control of Canadian insurance are thought desirable by members of parliament there will be ample opportunity for expression of their viewpoint when the forthcoming insurance bills are before the House.

* * *

U. S. to Have Tax on Sales

OGDEN MILLS, Secretary of the Treasury, has committed the Hoover administration to the sales tax, though the original recommendations from the executive branch were on other lines. Mr. Mills says that the bill is modelled on the Canadian law, and he considers this a special reason for approving it. He expresses particular confidence in the provision intended to prevent pyramiding by licenses which permit the tax to apply only on the sale of the finished product by the final manufacturer. He adds:

"If Canada and Australia can successfully administer such a tax; if European countries can administer with more or less success still more complicated sales taxes, there is no reason why we cannot undertake the task, particularly as the committee seems to have profited by the experience of other countries and to have avoided many of the mistakes made by them."

It is somewhat unusual in the United States to hear any such credit given to Canadian ideas by public men.

Describing the conditions which this sales tax and other features of the revenue bill must meet, Mr. Mills says that the government receipts which in 1930 aggregated $4,178,000,000 are expected to reach only $2,242,000,000 this year and $2,375,000,000 next year. Individual income tax collections dropped from $1,061,000,000 in 1930 to an estimated $275,000,000 in 1933. Corporation income tax collections were $1,110,000,000 in 1930 and are expected to reach only $382,000,000 in 1933.

It is felt that government credit must be maintained and the collection of sufficient revenue to balance the budget is necessary to maintain it.

* * *

Provincial Police Disbanded in West

THE provinces of Saskatchewan, Alberta, and Manitoba, in the order named, have now abandoned their former organizations of provincial police forces, and the general policing of those provinces, as in earlier days is again to be in the hands of the Royal Canadian Mounted Police. Each province is to pay the Dominion Government for this service, and the arrangement is expected to give the government of each province as effective control in enforcing its own laws as if it had a separate force. Concentration of organization, the avoidance of duplication, and the long-established prestige of the Mounted Police will mean that the total expense will be very much less than when four different police forces were covering the ground, for the Dominion Government found it necessary to continue the services of its own police force to some extent in spite of the existence of provincial police.

* * *

THIS represents a very practical step in the reduction of government costs, and one which might well set the example for similar steps. It is a commonplace to say that we are over-governed in this country, but the existence of many different governmental units such as we have in Canada, should not mean that each separate unit should equip itself with all the machinery that can be conjured up for the maintenance of its separate dignity. There is a tremendous amount of duplication in the work carried on by the Dominion government and by the provinces, and in that of the provinces themselves. Reasonable co-ordination of effort could result both in large savings and in increased efficiency. Disputes between the Dominion and the provinces over their respective fields of jurisdiction have been very costly to Canada. In prosperous days the country could, the people thought, afford such displays. In times like the present they are beyond reason.

In the fields of company law, of insurance, of agriculture, and of education there are opportunities for considerable savings if the various governments concerned will only make the necessary effort at co-ordination.

Ontario Laws On Registration Under Revision

Two bills, one to make uniform the law respecting registration of corporation securities and another to amend The Assignment of Book Debts Act, are now before the Ontario Legislature. The object of the first Act is to secure the registration of securities issued against chattel property in Ontario and to give the proper priority to the holders of such securities over other subsequent purchasers and mortgagees.

The Assignment of Book Debts Act does not as it stands make provision for an assignment of book debts by way of specific or floating charge to protect securities issued by a corporation, nor does it except the debentures of another corporation which will be held by the corporation making a trust mortgage. The new bill is intended to amend the law so as to provide for this and it will fit in with the Corporation Securities Registration Act referred to in the first paragraph. The latter Act provides for a central office for the registration of corporate bonds, including assignments of book debts made to secure bonds, while The Assignment of Book Debts Act, as amended, provides for registration in various local offices of all other assignments of book debts.

Rules to Preserve Priority

The Corporation Securities Registration Act defines the classes of securities which must be registered in order to preserve their priority, and provides that priority shall be preserved only from the time of registration. As the Provincial Secretary is in charge of the incorporation of companies, it is provided that mortgages, charges or assignments shall be registered by filing with the Provincial Secretary a duplicate original of the instrument containing the mortgage charge or assignment together with required affidavits. It provides for discharge in cases where the Provincial Secretary is satisfied that the debt for which the mortgage, charge or assignment was given as security has been paid. A certificate from the Provincial Secretary as to the facts will be effective as evidence as to facts set out.

Accessibility to the registers and other books and documents for the public is provided for upon payment of fees. The Act is not retroactive.

This Act is intended to clear up the law so that lending on building mortgages will once more be free from the uncertainties created by the recent judgment concerning the Queen's Park Plaza building. This unsettled the minds of lenders as to the reliance they could place upon the register, and they have since been unwilling to lend.

PRUDENTIAL TRUST INCOME DECLINES

Transfer and Trust Departments Affected by Conditions

From Our Own Correspondent

MONTREAL. — Gross income of Prudential Trust Co. in 1931 totalled $66,342 compared with $88,922 in 1930. After provision for expenses and the setting up of an additional reserve required on revaluation of assets there was a deficit of $24,497 for the year. This compared with a deficit of $24,859 in the previous year.

Stock transfer and corporate trust departments were particularly affected during the second half of the year and economies then put in effect were not sufficient to overcome the reduced revenue.

Details of Income

Following are details of profit and loss for the past two years:

	1930	1931
	$	$
Gross revenue	88,922	64,038
Profits on secs.	......	787
Other income	......	1,517
Total income	88,922	66,342
Less: Expenses	87,865	77,427
Add: Reserve	22,619	11,512
Other exp.	3,397	1,900
Deficit for year	24,859	24,497
Add: Prev. surplus	53,296	28,437
Balance forward	28,437	3,940

Trusteeships Are Reduced

Estates and agencies account at the end of 1931 totalled $5,542,715 compared with $5,481,284. Bond trusteeships and transfer agencies declined by $40,000,000 to $105,762,606.

In assets, investments are carried at $113,413 compared with $130,342, and real estate held for sale is slightly higher at $88,800. Mortgages at $12,734 are virtually unchanged and accounts receivable at $26,429 are lower by $3,000.

In liabilities amount due to shareholders on reorganization of capital stock totals $10,360 a decline of $3,000 and accounts payable at $6,841 are down $7,000. Capital stock subscribed is 17,527 shares, an increase of 145 shares. Profit and loss balance has been reduced to $3,940 from $28,437.

Fare Cut Opposed By B. C. Tramways

From Our Own Correspondent

VANCOUVER — Officials of the B. C. Electric Railway Company (B.C. Power) are not prepared to agree to any reduction in the present seven cent car fares, according to a statement to the city council from President W. G. Murrin.

Mr. Murrin stated that he would meet the city council shortly to discuss the proposed reopening of the agreement, but that the company would not agree to reduce fares.

The three-year agreement between the city and the company will expire May 8.

BUTTER RISE FINDS CANADA'S SUPPLIES LOW

(Continued from page 9)

ply that consumption cannot be made greater than it is and that all these measures in the end react back most seriously on the producer.

Some cheese factories have been buying milk at as low as 65 and 80 cents per cwt. In North Dorchester Township, Middlesex County, 38 farmers are quoted as stating they will destroy their milk before accepting terms of the North Gladstone cheese factory. The farmers demanded a price of $1.30 per cwt. and half the whey cream. They state they will buy the factory or erect another.

Cheese Prices Lower

Some relation between prices paid for milk and prices available from cheese factories and creameries must be observed. As a rule the sellers of milk for consumption in cities can get a higher price but have to observe conditions which make the cost greater to them. It is felt here that there should be a difference of about 25 cents per cwt. between price paid for milk to make cheese and price of milk delivered in cities. In some cases recently the difference has been 10 cents per cwt. It may be added that milk delivered in Toronto at $1.10 per cwt. would net the farmer about 80 cents per cwt. and milk delivered at $1.45 would give him about $1.10 or $1.15 per cwt.

Eastern Dairies Benefits
From Our Own Correspondent

MONTREAL.—Eastern Dairies, the largest dairy organization in Canada, feels the improvement in butter prices. The company is active in Montreal, Ottawa, Hamilton, Toronto and Winnipeg, operating subsidiary companies in these centres.

It is stated that total unit sales during the past year have held up well though values have been lower. No figures on earnings have been released though for the first five months of the fiscal year which ends March 31, 1932, it was announced that gross income showed an 8 per cent increase over the same period in the previous year.

Additional Stock Issued

In the last fiscal year Eastern Dairies earned $2.04 a share on 74,099 shares outstanding. Since that time additional shares have been issued bringing the total outstanding to 100,000 so that on a per share basis earnings for the year, which is coming to a close, may be expected to be lower.

Operations will only reflect four full months activity of the new Hamilton plant which commenced activity in November, 1931. This unit has made good progress since opening. It has taken over a territory formerly served by Eastern Dairies' Toronto plant, operated by Acme Farmers Dairy. Other units comprise the Elmhurst Dairy, Montreal, the Producers Dairy, Ottawa, and the Crescent Creamery Co., Winnipeg. Operations of the latter are understood to have been affected to some extent by prevailing conditions in the district served, which in addition to Winnipeg, included 11 branch plants and receiving stations throughout Manitoba and one in Saskatchewan.

In addition to its milk and butter business, Eastern Dairies is actively engaged in the manufacture of by-products. A research department is maintained for the systematic control of plants and the utilization or sale of waste material; two dry milk plants, one at Sydenham and one at Napanee, are also included in the corporate structure.

TRY TO SELL BEAUHARNOIS TO NEW GROUP

(Continued on page 15)

pletion of the enterprise. At the same time the liability would be spread over several companies and the Dominion and Provincial Governments would be relieved of any responsibility.

Triumvirate is Possible

Three of the Quebec companies—Montreal Power, Shawinigan and Canadian Hydro-Electric — could group together and take over control of the enterprise without affecting the position of the individual companies to any extent. Beauharnois is a wholesaler of electric energy, having contracts to supply Montreal Power, Ontario Hydro-Electric Power Commission and Montreal Cottons with about 463,000 h.p., deliveries to commence in part on October 1 this year.

Shawinigan already supplies Montreal Power with a large block of energy, while Canadian Hydro-Electric, through Gatineau Power, sells nearly 300,000 h.p. to Ontario Hydro. With Beauharnois under control, there would be no change in the community of interest of the three companies.

Stimulant is Needed

It would seem, however, that little apparent advantage would accrue to any one company or group of companies in taking over Beauharnois as it now stands. There would be the assumption of Beauharnois' $30,000,000 collateral trust bonds, (although these would probably be finally written down if a new group takes control) repayment of bank loans and the raising of possibly $30,000,000 or more to complete the project. The assets acquired would consist only of the plant and machinery, together with a small amount of land. The new order-in-council adds to the obligations of the company, while the canal passes to the Dominion Government.

In consideration for assuming responsibility toward present investors and the banks and the raising of additional capital for the completion of the project, some concessions would have to be made to responsible interests taking over the company. These concessions might consist of further guarantees by the Federal Government, of a new order-in-council on a fairer basis or even a cash payment.

Meantime there are two weeks left in which to bring order out of the situation, otherwise Beauharnois will have of necessity to pass its bond interest, otherwise too the danger of complete collapse will be faced.

INTERPROVINCIAL BRICK HAS LOSS

No Provision Made for Depreciation in Past Year

From Our Own Correspondent

MONTREAL.—Operations of Interprovincial Brick Co., subsidiary of Cooksville Co., resulted in a loss of $9,748 in 1931 compared with a profit in 1930 of $5,307. A previous deficit of $82,367 was brought forward into last year resulting in a net profit and loss deficit of $92,115 to be carried forward into the current period. No provision was made for depreciation in 1931.

Working capital amounts to $105,388 compared with $140,019 at the end of 1930. Current assets were $116,084 against current liabilities of $10,696.

Comparison of Income

Following is a comparison of profit and loss figures for the past three years:

	1931	1930	1929
	$	$	$
Oper. profit	*9,748	5,307	41,583
Prev. deficit	82,367	59,263	71,841
Deb. balance	92,115	53,955	30,258
Depreciation	.....	28,412	29,005
Total deficit	92,115	82,367	59,263

*Operating loss

Will Auction Fishing Leases

The leases of 57 stretches of famous fresh water salmon and trout streams in the province of New Brunswick are to be offered for sale by the government of the province at a public auction to be held at Fredericton on April 7 next. There is an upset or reserve price on each stretch of the streams to be offered. The prices range from $25 to $18,000 each per annum, but the fishing rights will be for a term of ten years.

Progressive

The same enterprising, forward-looking spirit which has been responsible for Canada's rise to greatness finds expression in the progressive policy that for more than 100 years has kept the Bank of Montreal in the forefront of Canadian finance.

BANK OF MONTREAL
Established 1817
Total Assets in Excess of $750,000,000

Arno Party For Great Bear Lake

Arno Mines has arranged to send a party in the Great Bear Lake area at once, under the direction of Major L. T. Burwash.

Bankers Open Toronto Office
From Our Own Correspondent

MONTREAL.—William, Partridge & Co., investment bankers, have opened a branch office in Toronto in charge of Ewart R. Angus, who has been elected vice-president and director of the firm. Mr. Angus was formerly vice-president of Matthews and Co., Toronto.

This Easter
A "Lace-Bilt" TIE

With Your Morning Coat

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THE BANK OF NOVA SCOTIA

Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets, $265,000,000

MOORE CORP. CUTS COM. DIVIDENDS FROM $1 TO 50c

Lower Prices and Volume Cut Total Business 20 Per Cent

BONDS REDUCED

Liquid Strength is Improved in 1931; Profit Rate Maintained By Rigorous Economies

With volume of business in 1931 20 per cent below that of 1930 on account of reduced selling prices and smaller orders, Moore Corp. net earnings of $567,950 fell short by $93,615 of paying the whole dividend of $1 a share annually on 313,979 no par value common shares after paying "A" and "B" preferred dividends, interest, depreciation and all taxes. In order to meet severe price cutting by some of the company's competitors, rigorous economies and lower manufacturing costs were found to be essential. All salaries, for example, were twice reduced: 10 per cent in August, 1930, and 10 per cent in October, 1931, with larger reductions in the case of some of the chief executives and in directors' fees. The rate of profit on the lower volume of business was thus maintained.

Finding general business still unsatisfactory and not expecting substantial improvement until late in the year, the company has taken the further step of reducing the common dividend to a 50 cent annual basis, beginning with the payment of 12½ cents a share for the quarter ending March 31, 1932. The company pays in United States funds, but no exchange costs are entailed as the United States subsidiaries are able to provide the money necessary.

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings	1056,094	1,274,001
Less: Subs. bond int.	50,961	55,537
Depreciation	367,764	394,462
Income tax	69,419	79,647
Net profit	567,950	742,355
Less appropriations:		
Pref. "A" divds.	230,147	229,873
Pref. "B" divds.	117,439	117,693
Com. divds.	313,978	313,548
Surplus for year	*93,614	81,241
Add: Prev. surplus	535,824	454,584
Bal. carried forward	442,210	535,825

*Dr.

Liquid Position Improved

The surplus of $442,210 shown above compares with $454,584 at the end of 1929 so that the two years of unfavorable general business conditions have made little difference to the balance sheet position of the common stock.

Despite lower value of inventories and accounts receivable resulting from lower prices and volume of products sold, the increase in cash from $533,685 to $866,535 redressed the balance to such an extent that current assets dropped only from $3,023,095 to $2,952,549, and this decline was more than made up by a greater decline in current liabilities from $508,602 to $429,434, the greater part of this decline being accounted for by a drop in accounts payable from $244,629 to $175,198. The ratio improved during the year.

Working Capital

	1931	1930
	$	$
Current assets	2,952,549	3,434,495
Current liab.	429,434	508,602
Working capital	2,523,115	2,925,893
Ratio	6.87—1	6.75—1

Reduced Funded Debt $140,500

Fixed assets in land, buildings, machinery and equipment, less reserves for depreciation, dropped from a total of $4,987,663 to $4,772,822. Funded debt outstanding dropped from $864,500 to $724,000, a drop of $140,500 in the year. Thus American Sales Book Co. 6 per cent first mortgage bonds due 1939 now stand at $567,000 instead of $660,000 as a year earlier and Pacific Burt 6½ per cent first mortgage bonds due 1937 stands at $157,000 instead of $204,500 as at the end of 1930. These particular issues are headed to extinction within the decade.

Employees Stock Repurchased

Investments in associated companies are shown at $1,214,973 as compared with $1,182,544 at the end of 1930. The company's subsidiaries are Burt Business Forms, Toronto, Western Sales Book Co. in Winnipeg and Vancouver, and the following eight companies in the United States: American Sales Book Co., Elmira and Niagara Falls, N.Y.; Gilman Fanfold Corp., Niagara Falls, N.Y.; Pacific Manifolding Book Co. (formerly Pacific Burt Co.) of Emeryville and Los Angeles, Cal., and Seattle, Wash.; Cosby-Wirth Manifold Book Co. of Minneapolis, Minn.; Moore Business Forms, Brooklyn, N.Y.; Niagara Fold, Niagara Falls, N.Y.; U. P. M. Kidder Press Co., of Dover, N. H. and Moore Research Co., Niagara Falls, N.Y. It is understood that a higher level of business was maintained by the Canadian companies than by the United States companies.

An asset of $379,500 represents "loans re employees stock purchase plan" and are due from employees for common shares sold on the installment plan at $16.66 a share. S. J. Moore, president states that "as of March, 1932, your directors have authorized the cancellation of this stock purchase plan and the refund to employees of moneys paid thereunder."

Natural Monopolies Set up Good Records

Supplementary List of Canadian Enterprises Further Emphasizes Fact That Earnings Do Not Always Increase After Consolidation

By JOHN E. LANGDON
Article Five in Study of Merger Movement in Canada

Examination of a further list of some fifteen Canadian mergers and consolidations further emphasizes the point that earnings do not always come up to expectations of the promoters. This does not follow in every case, of course, for there are a number of mergers which have shown steadily increasing earnings from the time of formation.

It is noticeable that those consolidations which stand out from the rank and file are of a type which have the field pretty much to themselves. This is so in the case of Bell Telephone Co. of Canada, Imperial Tobacco Co. of Canada, Montreal Light, Heat and Power, Canada Cement and others. This is to be expected in the case of enterprises such as public utilities, which, by the very nature of their operations, are virtual monopolies. Good management, in the main, has been the primary cause of the successful showing by others.

A 52-Year Record

First of the Canadian mergers on the accompanying supplementary list is Bell Telephone Co. of Canada, whose earnings have grown from $11,053 in 1880 to $5,791,982 in 1931 and have averaged over the 52 year period, $1,426,377.

Canada Cement is another of the earlier consolidations, having been formed in 1909. The record of this company was consistently good and up to 1927 the company had developed a strong earning power. It was by far the dominant enterprise in the industry, selling over 80 per cent of the cement used in Canada. It attracted the eye of investment bankers in 1927, when control was purchased with an offer of $250 a share for the common stock.

Imperial Tobacco Co. of Canada has steadily increased its earning power since 1912 and between 1917 and 1931 more than doubled net earnings. The company has paid dividends without a break since the year of formation and is regarded as a sound Canadian enterprise.

Establish Good Records

Steel Co. of Canada also has a long and successful record. In the 22 years of its existence, earnings have averaged $3,132,282 per annum. Southern Canada Power is another utility which has grown steadily, both in operations and earning power.

Turning to the paint industry, there is the merger of Brandram-Henderson in 1906. In 1913 the company had net earnings of $123,007, but in 1930 returns were slightly over half of that figure. In the intervening years net earnings were on a higher level, in 1928 and 1929 having passed the $200,000 mark.

While earning power of Sherwin-Williams Co. of Canada has not shown anything spectacular, nevertheless profits have steadily increased, though the subnormal returns last year are well below the average to date. National Breweries, confining its operations largely to the Province of Quebec, has done well. Since 1917 earnings have averaged $1,322,157, as against $2,456,699 last reported.

Also Weak Mergers

While a number of companies have done well, there are just as many which have not been successful. British Empire Steel Corp. came into being with a great flourish in 1920, but it was soon apparent that it was doomed to failure. It was reorganized in 1930 under the name of Dominion Steel and Coal Corp. with capital values greatly reduced.

Consolidated Food Products Corp.'s constituent companies had an operating income in the year prior to the merger of $137,060. It did not fall much below that figure in the first year of operations, but the last statement showed a deficit of $249,532, while there has been an average annual operating deficit of $32,616 to date.

Returns Fall Off

Earnings of Canadian Wineries have never come up to those reported in the year prior to the merger, the average yearly returns to date being about one-third of those previously reported.

Woods Manufacturing Co. has reported from year to year wide fluctuations in earnings. In the last 15 years earnings from operations have averaged $192,714, but there have been a number of years when deficits were recorded.

Dominion Textile Co. was formed originally in 1909. In 1911 sales totalled $9,470,270. They increased steadily from year to year touching a peak of $26,429,659 in 1926. Since that time there has been, with one or two exceptions, a steady decline. In 1931 sales had a value of $15,307,758.

In 1910 net earnings of Dominion Textile amounted to $1,016,407; in 1915, $1,305,018; in 1920, $1,845,376; in 1925, $1,948,669; in 1930, $2,079,931; and in 1931, $1,807,304. Though these figures indicate a satisfactory growth in earnings, it is important to realize that a substantial proportion of profits in late years has been in the form of income from investments. In 1925, for example, net earnings from operations totalled $1,684,909. Three years later they were about $150,000 lower and in 1931 amounted to $1,085,351.

Wabasso Cotton is a 1907 merger. Records from 1916 show satisfactory returns up to 1928, but from that time on income has been inadequate. This situation is common to most of the cotton textile companies, which, with few exceptions, have found the going difficult in the past few years.

Glass and Tramways

Dominion Glass is another early merger. In 1914 it reported net earnings of $625,748. Five years later they were virtually the same, but in 1924 had increased to $753,370. Since that time they have steadily declined and in 1931 amounted to $409,355.

Montreal Tramways Co. came into being in 1911. In the nine months ended June 30, 1912, it had a net profit of $357,066. In 1918 it had a record profit of $1,740,242, but after all charges there was a deficit of $303,991. In that year a contract was made with the City of Montreal, since which time there has been a steady advance in net profit, though until 1923 there was a deficit after all charges.

Depression Hits Some

Ontario Steel Products is another pre-war merger, having come into existence in 1913. In 1915 it had net earnings of $76,346 after depreciation. Between 1920 and 1929 this company had a well-established earning power, but in the last two years it has weakened, earnings in 1931 amounting to only $50,247.

NOTE.— Table accompanying article four of this series referred to the "passing of all dividends" by Standard Paving and Materials. This company is paying its preferred dividend, but distribution on the common stock was deferred on August 15 last.

Time Reveals Mergers' Qualities (2)

Name of Company	Formed	Estimated Earnings	First Year Earnings	Last Year Earnings	Annual Average Since Formation	Remarks
Bell Telephone Co. of Canada	1880	$	$ 11,053 (13)	$5,791,982 (13)	$1,426,377	Dividends paid since 1883.
British Empire Steel	1920	7,725,833	4,416,450 (12)	6,046,647	......	Reorganized in 1930; capital scaled down.
Consolidated Bakeries	1928	536,662 (2, 4)	692,625 (4)	275,269 (4)	483,947	
Consolidated Food Products	1928	137,060	105,649 (27)	249,532 (1)	32,616 (1)	Not paying dividends.
Canada Cement	1909	150,296	1,277,698	3,924,891	2,941,132	Sold in 1927 at $250 a share for common and refinanced.
Canadian Wineries	1928	253,783 (4)	102,412 (5)	94,790 (4)	88,968	Reduce common dividend from 50c to 20c.
Imperial Tobacco Co.	1912	......	2,455,224 (13, 25)	5,914,079 (13)	4,145,983 (23)	Dividends paid since 1912.
National Breweries	1909	......	417,226 (25)	2,456,699	1,322,157 (23)	Common dividends since 1919.
National Grocers	1925	493,492 (4)	192,918 (26)	445,560 (4)	412,742	Paying no dividends.
Sherwin-Williams	1911	......	576,942 (10)	388,470 (10)	848,977	Paying no common stock dividend.
Southern Canada Power	1913	......	194,215 (10, 25)	1,437,073 (10)	736,509 (23)	Common dividends 1923 to date.
Steel Co. of Canada	1911	783,665 (11)	1,373,523	3,577,469	3,132,282	Common dividend 1916 to date.
Western Breweries	1927	......	399,085	29,306 (1)	184,163	Paying no dividends.
Western Grain Co.	1928	788,732	811,707	340,241 (24)	409,801	Paying no dividends.
Woods Mfg. Co.	1912	......	542,322 (22)	171,268 (7)	192,714 (23)	Paying no dividends.

(1) Loss; (2) 47 weeks; (4) after depreciation; (5) 15 months; (7) loss, including bond interest; (10) net; (11) 6 months; (12) 38 weeks; (13) net after dividends; (22) 1917 (earliest available) after depreciation, interest, taxes and prior charges—deficit; (23) 15 years; (24) includes Mutual Grain; Western Grain only in prior years; (25) 1917; (26) no depreciation; (27) 9 months.

Note:—All figures quoted are net operating income, except where notations made. Every care has been taken to see that figures are accurate, but they are not guaranteed.

DEBT ADJUSTMENT WORKS IN MANITOBA

So Report of Debt Commissioner Would Indicate — Creditors Reasonable

From Our Own Correspondent

WINNIPEG.—The first annual report of the Manitoba Debt Adjustment Commissioner, Gerald S. Rutherford, discloses that a total of 1,300 cases have been dealt with since the board was first established in October, 1930. Creditors, Mr. Rutherford declares in his report, are disposed to be reasonable, and debtors have shown themselves willing and anxious to meet their obligations. Larger creditors especially, such as mortgage companies, loan companies, banks and implement firms, have always been willing to listen to any proposal advanced on behalf of a debtor. More difficulty has been found in cases where private individuals are creditors, and the most difficult cases of all to deal with have been those in which two farmers are involved in the relationship of debtor and creditor.

While the commissioner, under the Debt Adjustment Act, has power to issue a certificate, which on registration by a debtor bars any action on the part of a creditor, in only 45 cases had it been found necessary to issue such a certificate. After seven of these had been cancelled, there remained in force 37 certificates, 30 on rural applications, and 7 on urban applications. So far as the remainder of the cases are concerned there are only 49 rural cases and 37 urban cases where it has proven to be impossible to make an arrangement agreeable to the parties.

A much more comprehensive plan of dealing with rural indebtedness is being urged upon the government by some members of the legislature, and although some of these are included among government supporters there is thought to be little likelihood of the government agreeing to any modification of the present plan. The plan in question would mean the appointment of a commission with power to scale down the debts of farmers.

WESTERN TRUST PROFIT DECREASED FOR LAST YEAR

Estates, Trust and Agency Funds Show $180,000 Increase

Western Trust Co., of Winnipeg, reports for 1931 a substantial reduction in net profits, a slight decrease in guaranteed funds for investment, and a good increase in the estates, trusts and agency account.

Net profits, after income tax but before provision for depreciation, amounted to $45,317, or 4½ per cent on the paid up capital of $1,005,000, as compared with $75,629, or 7½ per cent, in the previous year. The dividend was continued at the same rate of 5 per cent, this requiring $50,250, so that the previous surplus was drawn upon both for part of this and for two new appropriations for depreciation, one of $50,000 in respect of investment securities and one of investment securities and one of $25,000 for depreciation reserve for Western Realty Co. Former surplus was thereby reduced from $140,282 to $60,349, this amount being carried forward for 1932.

Guaranteed Funds Lower

Guaranteed funds at $835,379 are lower by $2,666 than at January 1, 1930. These are secured by mortgages and agreements of sale valued at $823,659, accrued interest on guaranteed investment of $11,644, and cash $76. A further $48,667 of mortgages in capital account has been earmarked as additional security for this account.

Estates, trusts and agency account has increased from $2,066,783 to $2,246,841, made up of bonds and debentures valued at $642,260, cash $27,653, accounts receivable $3,481, and the balance in real estate mortgages, agreements for sale and other agency securities, including interest.

Capital assets are about $5,000 lower at $1,528,309, assets held by Western Realty Co. being written down to $331,090 as against last year's figures of $345,653, while real estate mortgages and agreements of sale are valued at $710,955 compared with $733,633, interest due thereon amounting to $55,803 as against $35,428. Stocks, bonds and debentures, and interest, are shown at $258,715 compared with $245,250. Interest due and accrued on guaranteed investments (company's share) amounts to $25,360, about $11,400 lower than in 1930. Advances to estates and others, including interest, total $138,090 compared with $116,658.

Comparative statement of earnings, compiled by The Financial Post, follows:

PROFIT AND LOSS ACCOUNT
Years Ending Jan. 1

	1932	1931
	$	$
Profits	51,305	81,530
Less: Res. for inc. tax	5,988	5,901
Net profits	45,317	75,629
Less: Dividends	50,250	50,250
Prov. for deprec.*	50,000	......
Prov. for deprec.†	25,000	......
Surplus for year	‡79,933	25,379
Prev. surplus	140,282	114,903
Bal. carried for'd.	60,349	140,282
Earning Rate and Dividend:		
Earned	4.5%	7.5%
Paid	5%	5%

*In value of stocks, bonds and debs.
†Of Western Realty Co. assets.
‡Debit.

COMMERCE CHAMBER OPENS TRADE SURVEY

Canadian Body Seeks Data From Members For Empire Parley

Member boards of the Canadian Chamber of Commerce have this week received a detailed questionnaire aimed to supply valuable data for the national empire trade enquiry now being undertaken by various bodies in Canada, preparatory to the Imperial Economic Conference at Ottawa.

The scope of this enquiry is to obtain from towns and cities in which boards of trade or chambers of commerce are in operation, certain specific suggestions and information regarding the prospect of increased purchases by these communities of Empire goods. In order that this enquiry shall not overlap with that already being undertaken by the Canadian Manufacturers' Association and other national organizations in their particular sphere, it is recommended that its scope be limited to (1) service industries such as public utilities, power plants and construction, (2) importers and merchants throughout Canada who are buying abroad or selling foreign merchandise.

Specific questions which are asked by this enquiry include the tabulation of goods or equipment now purchased in other than empire countries, together with the reason for such purchase, whether it be quality, price, service, delivery or transportation. With regard to consumer goods sold at retail from Great Britain or other empire countries, the enquiry seeks to find out just what those goods are, whether British sales are increasing and if so why. In addition many general and specific questions are asked to obtain the viewpoint of the community toward general matters of policy in regard to Empire trade. The answers are to be completed by April 15.

THIRD INCOME TAX THREATENS IN 'PEG

City Wants Share of Easy Money Mulcted from Taxpayers

From Our Own Correspondent

WINNIPEG.—Residents of Winnipeg face the probability of having to pay three separate income taxes, if an amendment to the city charter is granted by the passing of a special bill which is now before the Legislature. The bill would permit the city to levy on any individual up to 99 per cent of the provincial income tax assessed against him. The bill would permit taxes paid on real property within the city to be offset against the income tax to be paid to the city, but, as at present drawn would not make it mandatory upon the city to permit such offset. On previous occasions the city has sought such power from the legislature, but has been refused. The argument which is relied on this time is that the city has already reached the limit in obtaining revenue by the property assessment and, with the burdens placed upon the city treasury through unemployment relief, will have to be allowed new sources of revenue. Labor members from Winnipeg have previously opposed the proposal for a city income tax, but are now prepared to support it, although critical of the provision for offset of taxes on real estate.

The government is known to be highly opposed to the idea of the city income tax. Most of the proceeds of the provincial tax are collected from Winnipeg, and the provincial government by increasing the tax rates this year, hopes to get a good deal more money from the same source.

Real estate interests in the city have long supported the idea of a municipal income tax, declaring that the burden on real estate should be lightened. Should the offset of real property taxes be allowed, it would appear that the average home owner in Winnipeg might escape with no increase in his tax burden, and might even have it lightened through the city obtaining a portion of its revenue elsewhere. Tenants would obviously be called on to bear more in taxes than at present, and it is doubted if the lightening of the taxation on houses and apartments would reflect itself sufficiently in reduced rentals to offset the additional income tax.

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Utilities and Transportation

MONTREAL POWER AIDS IN SECURING NEW INDUSTRIES

Companies Numbering 48 Locate in Montreal in Two Years

From Our Own Correspondent

MONTREAL. — Industrial Department of Montreal Light, Heat and Power Cons. directly or in cooperation with others, has been instrumental in locating 48 new industries in Montreal since April, 1930, up to the present time according to J. S. Norris, vice-president and managing director of the company. These new industries, he revealed, gave work to 1,867 employees and consumed 13,305 horsepower of electricity.

Mr. Norris objected to what he termed a "fallacious" statement that Montreal had lost industries to Toronto on account of lower power rates, by stating that Montreal pays in the aggregate 1.393 cents per kw.h., taxes included, for its electricity, while the average rate for power in Toronto, where the Hydro pays no taxes, is 1.570 kw.h.

Power Costs Small Item

Stress was laid on the small part which power costs play in total manufacturing costs. Mr. Norris referred to a list of thirteen representative industries tabulated in the Electrical World, which shows that only four had power costs exceeding 2.75 per cent of total value of sales. The middle figure was 1.8 per cent and in three cases cost of power was less than 0.5 per cent. Taxes, rentals, transportation facilities, labor costs, and proximity to market were seen as more important factors for most industries than cost of power.

New Industries Classified

In dealing with the new industries which have been established in Montreal in the last two years, Mr. Norris said:

"Of these industries seven came to Montreal from Ontario: the Ritchie Cut Stone Co. and the Service Station Equipment Co., of Toronto and Truscan Steel, Canada Wire & Cable Co., Bitumels Company Limited, Dyment Limited, S. H. Wood from other parts of Ontario.

"Two of the new industries came here from England, the Burroughs Welcome Co. and Bovil & Hood Canada, Ltd. The Bonna Pipe Company came from France, the Dresden Novelty Company came from Germany and Sorrento Macaroni from Italy. A recent newcomer from Great Britain, also, is the A. G. Snowdon Co. from Scotland.

From the United States

"New industries which came here from the United States include the Richlite Manufacturing Co., Autograph Toothbrush, Kimball Company, Standard Sample Card, Perkins Tissue Mills, Swiss Chocolate, Scutan Company, Fleischmann Company, Flinkote Roads, Polygraphic Registered, Dominion Wood Pipe Company, McBee Binder Company, Rockbestos Products, St. Johnson Oil Burner, Silent Glow Oil Burner, Allied Arts Regd., White Motor Company, Canadian Hatters Supply Co., George H. Meisel, O. M. Edwards Company, Dominion Blade Manufacturing Co., Minute Tapioca Co., McKesson & Robbins Co., Exide Battery Co., Campello Shank Company, Selby Shoe Company, Prolac Limited, ExLax Limited, Victor Hack-Saw Manufacturing Company, Bon-Ami Manufacturing Company, British American Oil Company and Coca-Cola Company. Others include the Morris Gold Company from Quebec and the Canadian Copper Refiners.

"It is notable, however, that Toronto has set Montreal an excellent example in maintaining a well staffed Industrial Commission which operates at an annual cost of about $75,000, the expense being borne by the municipal authorities of Toronto, in co-operation with private interests and organizations such as the Harbor Board, the Board of Trade, the railways and others interested in the growth of Toronto."

DUKE-PRICE POWER SUBSIDIARY SHOWS REDUCED PROFITS

Saguenay Electric Covers All Charges With Small Margin

From Our Own Correspondent

MONTREAL. — Net operating revenue of Saguenay Electric Co., controlled by Duke-Price Power Co., was $257,702 in 1931, a drop of $20,000 from the previous year. After deduction of operating expenses and taxes and addition of other income, net earnings were $126,719 against $137,080 in the previous year.

Bond interest and depreciation charges were unchanged but other interest needs were lower. Net profit and surplus for the year accordingly increased from $2,192 to $4,510.

Profit and Loss Figures

Following are comparative figures of profit and loss for the past two years:

	1931	1930
	$	$
Net oper. revenue	257,702	277,531
Oper. exp. and taxes	135,206	149,140
Net oper. profit	122,496	128,391
Add: Other inc.	4,223	8,689
Net earnings	126,719	137,080
Less: Bond interest	74,800	74,800
Other interest	16,005	28,684
Depreciation	31,404	31,404
Net profit	4,510	2,192
Add: Previous surp.	*6,551	*7,373
Less: Adjustments	15,695	1,370
Balance forward	*17,734	*6,551

*Deficit.

Current Liabilities Gain

The balance sheet shows a greater excess of current liabilities over current assets than was reported in 1930. Current assets at the end of last year totalled $175,016 against current liabilities of $1,083,019, leaving an adverse excess of $908,003. The excess of current liabilities at the end of 1930 totalled $868,261. The balance sheet shows an increase in current assets of about $32,000 but notes, accounts, and interest payable have gained $72,000 at $1,083,019.

It is pointed out by McNeely DuBose, president of the company, that substantial losses were encountered in revenue. This was attributed in particular to the temporary shutdown of one mill, and the curtailment of output of other mills in the district served by the company. It was pointed out, however, that the total number of customers was increased at the end of the year.

Prairie Mails By Air Route End March 31

From Our Own Correspondent

MONTREAL.—Air mail services over the Prairies will cease March 31 according to announcement made by A. D. McLean, acting superintendent of airways, Department of Civil Aviation. Mr. McLean has been in Regina consulting official, with a view to dismantling departmental aerodromes, beacon towers and lighting equipment at airports. It is stated that the greater part of equipment, particularly that used in lighting the route from Winnipeg to Edmonton, will be dismantled and stored.

Officials of Canadian Airways have no comment to make at the present time. This organization has been handling the air mail contract across the Prairies and it is to be expected that there will be little incentive to continue active operations on that route if air mail contracts are to be cancelled.

The company's western lines, operated by Western Canada Airways, are busy on freight and passenger services in the northwest; operations in Eastern Canada, however, are reported to be slack.

Inauguration of the night air mail service from Winnipeg to Edmonton marked one of the most noteworthy steps in the progress of Canadian aviation. Drastic cuts in government expenditure have made its maintenance impossible. Estimates for air services before Parliament carry only $1,750,000 compared with $5,442,000 in last year.

C. G. E. EARNINGS SHOW BIG DROP; CASH IS BETTER

Carry-over From 1930 Aided 1931 Business; Orders Are Down

Aided by a large volume of uncompleted contracts carried forward from 1930, Canadian General Electric Co. had net earnings of $3,176,444 in 1931 as compared with $4,688,070 in 1930. After deduction of depreciation of $868,290 for 1931, as compared with $922,272 in 1930, the net profit of the company available for dividends was down to $2,308,154 from $3,765,798. After payment of preferred dividends at the usual rate of 7 per cent during the year, the company earned $9.05 on each of the 188,845 shares of $50 par value common stock outstanding as against $16..77 in 1930. Payment of $4 on the common stock during 1931 was the same as in 1930. At the end of 1931 unfilled orders on hand were 23 per cent less than at the end of 1930.

The balance sheet of the company shows working capital of $15,181,209 as compared with $15,605,907 the previous year but the ratio between current assets and current liabilities has decreased to 5.77 to 1 from 7.12 to 1. Cash on hand is up to $5,038,105 and government bonds are up to $8,725,491, such securities being carried at cost or par value whichever is lower. Accounts receivable have been reduced to $2,112,150 from $2,678,437 shown in 1930 and inventories are down to $4,723,826 from $6,225,835. Inventories are stated to have been valued with more care than usual due to lower price level of raw materials and carried on the basis of cost or market value whichever was less. Accounts payable are up to $2,838,773 from $2,068,822, the only other current liabilities being preferred and common dividends payable.

Investments Increase

Investments of the company other than government bonds are shown at $4,766,747, an increase over 1930 of $960,474. These investments are not regarded as current assets and have been written down to market value as at Dec. 31, 1931. During 1931, $1,389,637 was spent in improved manufacturing and distributing facilities including a new office and warehouse building in Montreal. Fixed assets have increased to $16,960,155 from $16,952,150 in 1930. Employees' savings plan is carried as an asset of $222,298 and provides for purchase of preference shares by employees who now hold 14 per cent of the outstanding stock.

Reserve for depreciation amounts to $12,218,215 as compared with $11,649,898 in 1930. The number of $50 par value preference shares remains the same at 171,155 and there is no change in the 188,845 shares of $50 par value common outstanding. Surplus has been increased to $6,953,180 from $5,999,449. Income and surplus accounts of the company for the past two fiscal years are as follows:

Years Ended December 31

	1931	1930
	$	$
Net earnings	3,176,444	4,688,070
Less: Deprec.	868,290	922,272
Net profit	2,308,154	3,765,798
Less: Pref. divd.	599,043	599,042
Common divd.	755,380	755,880
Surplus for year	953,731	2,411,376
Add: Prev. surplus	5,999,449	3,558,073
Surplus forward	6,953,180	5,999,449

Jamaica Public Service January Profits Lower

From Our Own Correspondent

MONTREAL. — Gross earnings of Jamaica Public Service in January, 1932, were down $4,998 from the same month in the previous year, totalling $73,368. Operating expenses and taxes were down $1,000 at $40,917 and net earnings were $32,451 compared with $36,413 in January, 1931.

Interest and amortization charges were marginally lower and balance for reserve and dividends totalled $23,150, a reduction of $3,834 from January of the previous year.

Public Utility Earnings

Jamaica Public Service

January:	1932	1931
Gross earnings	$73,369	$78,367
Net earnings	32,451	36,414
Surplus after chgs.	23,150	26,985
12 Mos. end. Jan. 31:		
Gross earnings	$824,599	$839,014
Net earnings	332,311	344,317
Surplus after chgs.	223,504	245,115

CANADIAN POWER AND PAPER PROFIT BELOW DIVIDENDS

Holdings Depreciate and Loans Show Sharp Increase

From Our Own Correspondent

MONTREAL.—Revenue of Canadian Power and Paper Investments in 1931 was $336,941 compared with $329,608 in 1930. Loss on sale of investments was $141,444 against $5,668, but last year's loss was reduced to $2,822 by the transfer of $138,622 from investment reserve, leaving total income at $334,119 compared with $323,939 in the preceding period.

After provision for debenture interest and expenses and deduction of $103,460 for interest on loans, a new item, net income was $84,021 against $151,976 in 1930. Payment of preferred dividends, now suspended, resulted in a deficit of $20,145 for the year compared with a surplus of $26,976 in 1930. After addition previous surplus and $34,090 representing profit arising from purchase and cancellation of debentures, balance carried forward into the current year was higher by $12,084 at $559,451.

Loans Show Increase

Noteworthy features of the balance sheet are a further depreciation in market value of investments and a sharp gain in loans. Following is a comparison of income for the past two years:

	1931	1930
	$	$
Interest & divds.	336,941	329,608
Loss on sale of invest.	141,444	5,668
Add: Invest. reserve	138,622	......
Total income	334,119	323,939
Less: Expenses	23,721	45,446
Taxes	......	1,517
Int. on loans	103,460	......
Int. on debs.	122,917	125,000
Net income	84,021	151,976
Less: Preferred divds.	104,166	125,000
Surplus for year	*20,145	26,976
Add: Previous surp.	‡545,506	‡520,391
Adjustment	†34,090	......
Balance forward	559,451	547,367

*Deficit.
‡Adjusted.
†Profit from profit and cancellation of debentures.

The balance sheet shows investments carried at $8,203,268, an increase of $481,109. Aggregate value of these investments at the end of the year, however, was $5,501,529 based on stock exchange prices or estimated fair values which compares with investments of $6,631,908 based on a similar valuation at the end of 1930.

In liabilities, loans are up $574,947 at $1,812,282; these loans are secured by investments having a book value of $3,646,419 pledged as collateral. During the year there were redeemed $100,000 of 5 per cent debentures leaving $2,400,000 outstanding. Preferred stock at $2,500,000 and common stock of 100,000 shares, carried at $950,000, are unchanged.

An analysis of the balance sheet shows that equity of the preferred stock at the end of last year was about half the $50 par value of the shares.

CANADIAN NATIONAL PLANS ECONOMIES

Parliamentary Committee is Told of Further Cuts in Expenditures

From Our Own Correspondent

MONTREAL. — A system for controlling travelling, hotel and other expenses of its officials has been inaugurated by the Canadian National Railways in an effort to effect further economies. Salary cuts and lay-offs arranged for will effect a saving of about $2,250,000 a year.

These savings were revealed in a document laid before the Parliamentary Committee on railways and Shipping, signed by seven members of the board of directors of Canadian National Railways. The document also showed that a resolution providing a life annuity to Sir Henry Thornton, president, of $30,000 if at any time he should retire from active management of the railway, had been rescinded. Payment of fees to officials of the Canadian National by subsidiary companies had also been discontinued.

The Parliamentary Committee had recommended a review of all salaries of officials of the system above $5,000 and had condemned charging up large amounts for social entertainment to the road. It further objected to the provision of a retiring allowance for Sir Henry Thornton.

Northern Telephone Maintained Earnings

Northern Telephone Co., which operates some 5,338 telephones in northern Ontario had gross receipts of $189,872 in 1931, and operating expenses of $153,107, leaving a net operating revenue of $36,765 compared with $38,672 in 1930. Interest on bonds amounted to $9,000, interest on notes and bills $2,269, and income tax was $2,169, leaving $23,526 available for dividends. Earnings amounted to 6.7 cents per share on the 350,000 shares of $1 par value common stock outstanding; earnings in 1930 amounted to 7.7 cents per share. Dividends of 6½ per cent were paid during 1931 as compared with dividends of 7 per cent paid in 1930.

Operating the largest independent telephone company in Ontario, the company showed capital assets of $747,527 at the end of 1931 as compared with $677,046 at the end of 1930. Current assets increased to $779,597 from $701,578. Bank loans were increased by $29,000. It is expected that an issue of stock and bonds will be offered to shareholders during 1932.

Report on Grand River Covers Flood Problem

Necessity of remedying wide fluctuations in flow of the Grand River in Central Ontario and methods of maintaining even flow are suggested in a report which has been prepared on behalf of the Ontario Government and the Grand River Valley Board of Trade. Contributory causes of floods in the valley of the Grand have been studied in detail and a series of regulatory reservoirs comprising an area of some 50,000 acres is suggested as a best means of control. The necessary work would cost some $2,955,000 with annual charges of some $284,000. The cost would be assessed to the municipalities affected.

Legislation presently before the Ontario House authorizes the creation of a commission to handle developments in the Grand River Valley and the report brought in is expected to form the basis of the work for this commission. The industrial importance of the community in the Grand River Valley and the necessity for flood control on the river was outlined in The Financial Post early in 1931.

CAN. GENERAL INVESTMENTS LOSSES HEAVY

Income Nearly Covered Dividends But Capital Surplus Down

The first annual statement of Canadian General Investments Ltd., since its formation following amalgamation of Canadian General Investment Trust Ltd. and Second Canadian General Investments Ltd., June 30, 1931, shows net income from investments of $391,535 after provision for interest paid on loans. After deduction of expenses amounting to $43,080 and provision of $15,520 for 1931 income tax the company earned $332,934 on the 612,444 allotted shares, or 54 cents per share. During the year $364,168 of dividends were paid or declared.

Capital surplus account, arising from the purchase of predecessor trusts, has been reduced from $3,115,618 shown at December 31, 1930, to $1,036,216 as at December 31, 1931, the latter figure being subject to depreciation in market value of securities held on that date. Reserves against investments transferred to capital surplus account increased the 1930 total by $412,394. In the first six months of 1931, losses on securities sold amounted to $44,107; in the last six months losses amounted to $1,289,189. Loss on writing down book value of investments held June 30, 1931, to market values or directors' valuations was $2,173,224 while surplus arising from acquisition of Canadian General Investment Trust Ltd. was $1,014,723.

Fourth Trust Loans

The balance sheet as at December 31, 1931, shows cash on hand at $122,888; investments carried at market value June 30, 1931, and subsequent investments at cost total $7,437,635. Of this total $3,881,614 are in marketable investments which had a market value of $2,797,024 at December 31, 1931, and therefore showed depreciation of some 28 per cent in the last half of 1931. Loans to associated companies total $576,098 of which $491,423 is advanced to Fourth Canadian General Investment Trust Ltd. and is secured only by investments with market value of $36,000 and guarantees conditional as to time of call, and $72,614 is advanced to Canadian General Securities Ltd.

Current liabilities amount to $1,145,692 and consist of $415,945 in brokers' loans, $600,000 in other loans, both secured, and $129,747 in accounts and dividends payable. Shares allotted are carried at $6,124,440 less $218,451 in amounts unpaid. Capital surplus at $1,036,216 and surplus account at $48,723 bring total capital and surplus to $6,990,928 which is subject to depreciation in value of investments. The auditors state that no provision has been made for the difference of $1,084,590 between book value and market value of marketable securities, nor for heavy depreciation in value of other securities, nor the loss on collection of loans to Fourth Canadian General Investment Trust, Ltd.

THIRD C.G.I. TRUST TOOK HEAVY LOSS

Sale of Securities at $1,219,159 Under Cost Wipes Out Surplus

Third Canadian General Investment Trust Ltd. had net income from investments of $121,819 in 1931 compared with $138,464 in 1930 but sustained a loss of $1,219,159 on securities sold which compares with a net profit of $13,494 on securities sold in 1930. After inclusion of expenses, underwriting commissions written off, etc., the surplus of $218,385 brought forward from 1930 was changed to a deficit of $1,135,852 as at December 31, 1931, subject to depreciation in value of investments which on marketable securities amounted to $720,058 or 50 per cent.

As long as the present impairment of capital exists, dividends cannot be paid on present stock and shareholders are urged to consent to change in capitalization. Amendment to the management contract will also be considered which would place the management fee on a basis of ½ of 1 per cent of the market value of investments held which would be calculated monthly. This has been approved by directors and is in effect subject to approval of shareholders.

Investments Lower

The balance sheet shows total assets of $2,343,389 against the $4,360,390 shown in 1930. Cash amounts to $8,726; investments at cost, $2,070,154; loans to Canadian General Securities Ltd., partly secured, $191,259 and loan to Fourth Canadian General Investment Trust Ltd., secured only by conditional guarantee of Canadian General Securities Ltd., $73,250. Investments at the end of 1930 were carried at cost of $3,737,952.

Secured loans from banks and brokers total $157,537 as compared with $787,829 in 1930. Accounts receivable amount to $1,963 and reserve for income tax to $5,400. There are 677,384 shares of $5 par value stock subscribed subject to unpaid balances of $123,997. After adding premium on capital stock of $51,418 and deducting deficit of $1,135,852, share capital is credited with balance of $2,178,489 which is subject to depreciation in value of investments.

Income and surplus account for the past two years is as follows:

Income and Surplus Account
Years Ended Dec. 31

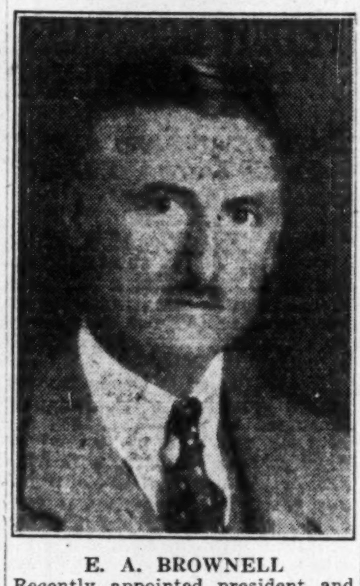
	1931	1930
	$	$
Income:		
Interest on bonds	28,315	25,099
Divds. on stocks	99,650	111,526
Interest on loans	14,291	1,839
Less: Int. on loans	20,437	....
	121,819	138,464
Less: Expenses:		
Management fees	11,125	....
Miscellaneous	1,651	3,205
Exchange	....	2,357
Prov. for inc. tax	7,123	6,000
Profit on inc. acct.	101,921	126,902
Add: Profit on sale of secs.	....	13,494
Less: Loss on sale of securities	1,219,159	....
Underwriting comm. w/o	143,410	....
Inc. and profit	*1,260,648	140,396
Less: Dividends	97,876	146,695
Loss for year	1,358,524	6,299
Add: Prev. surp.	218,385	224,684
Special inc. from previous years	4,287	
Surplus	†1,135,852	218,385

*Loss. †Deficit.

Ship New Brunswick Timber

Several carloads of New Brunswick hardwood have already been shipped overseas by J. H. Hay and Son and others are to follow, on contract. The cut has totalled 1,500,000 feet all of which will go to the British market.

New President



E. A. BROWNELL

Recently appointed president and general manager of the British America and Western Assurance companies, who presided for the first time at the annual meetings of these corporations last week.

PRESSED METALS HAD LOSS IN 1931

Dividends Paid From Surplus; New Product Brings Orders

Pressed Metals of America Inc., had a net operating loss of $1,489 in 1931 as compared with an operating income of $17,067 in 1930. After loss of $19,685 on sale of metal, provision for depreciation to the extent of $25,224 and payment of $55,387 in common dividends the total loss of the year is $101,189 as against a loss of $111,275 in 1930, the difference being accounted for by a write-off of organization expense to the extent of $8,024 in 1930. Surplus carried forward was reduced to $8,812 from $108,600.

In the directors' report for the year it is stated that the company has placed on the market a new patented spring shackle for automobiles which has been adopted by the Chrysler Corp. for their 1932 model Plymouth. Shipments of this shackle have already commenced and leases have been received for 80,000 shackles for March delivery. It is stated that plans are under way to present these shackles to the balance of the industry.

Inventory Lower

The balance sheet shows current assets totalling $345,905 and current liabilities of $4,011. Included in current assets are $10,336 in cash, $151,950 in short-term marketable securities; $16,022 in accounts receivable, $66,249 amounts due on land contracts less reserves and inventories at slightly over $100,000. Inventories are carried at cost, less $19,685 written-off during the year and shown in profit and loss account. Inventory at the end of 1930 was in excess of $133,000.

Fixed assets are carried at $365,704 after provision for depreciation of $366,353. Deferred charges total $65,371. Value of fixed assets before depreciation show little change with land and building carried at $309,377, machinery and equipment at $395,257, and real estate held for sale at $27,424. Capital stock outstanding remains unchanged at 110,774 shares of no par value carried at $764,157 plus earned surplus of $8,812.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net oper. inc.	*1,489	17,067
Add: Profit on sale of metal	*19,685	88
Total oper. income	21,174	17,155
Less: Depreciation	25,224	26,161
Net oper. loss	46,398	*9,006
Less: Profit on sale of securities	596	624
Add: Organ. exp. w/o	....	8,024
Net profit	*45,802	*14,347
Less: Com. divds.	55,387	96,928
Loss for year	101,189	111,275
Add: Previous surp.	108,600	211,090
Adjustments	†1,402	†10,530
Less: Adjustments	....	1,745
Surplus forward	8,812	108,600

*Loss. †Includes profit on Detroit Land Contracts.

Home Manufacture Is B. C.'s Policy

From Our Own Correspondent

VANCOUVER.—British Columbia intends to retain its own pulpwood stands for manufacture of pulp and paper at home rather than export the raw material, according to the provincial government's policy reiterated recently by Hon. Nels Lougheed, minister of lands.

Mr. Lougheed pointed out that the spruce stands of British Columbia were regarded as a "gold reserve" to be carefully safeguarded for the future. Eventually, he believed, there would be several more pulp and paper mills on the lower mainland of the province and these mills would require all the pulpwood available.

The question was brought before a committee of the provincial legislature when representatives of central British Columbia districts urged that the government's regulations against pulpwood export be relaxed so as to enable loggers to ship pulpwood across the border to a ready market in the states of Washington, Wisconsin and Minnesota.

Obituary

A. E. Cross, who died in Montreal, the city of his birth, on March 10, was one of the pioneers and leading citizens of Alberta. Born in 1861 he went to Calgary in 1884, after an education in Montreal, in England and in the Ontario Agricultural College, as a qualified veterinary surgeon. He became associated with ranching at once, and in a few years branched out for himself, becoming one of the largest owners of cattle, as well as one of the largest land holders, and holder of leased ranch lands in the province. His interest in cattle raising continued throughout his life, and he was at once very successful and notable as a breeder. He founded and developed the Calgary Brewing and Malting Company, after some intensive studies in the art of brewing. At the time of his death, in addition to being president of that company he was a director of the following companies; Royalite Oil Company, Ltd., Canadian Western Natural Gas, Heat, Light and Power Company; and Calgary Power Company. He was president of Metals Ltd., and a member of Calgary Advisory Board of the Royal Trust Company. He had been president of the Calgary Board of Trade.

In spite of the variety of his other interests, Mr. Cross's ranches remained to the last very close to his heart. He was regarded with deep affection in Alberta both because of his personal qualities and because of the link which he provided with the early ranching days of the south country.

SALMON PACKERS MAY HAVE TO MOVE

Continued U.S. Threat to Fraser River May Bring Big Changes

From Our Own Correspondent

VANCOUVER. — Pacific coast salmon packing faces rather revolutionary changes if the British Columbia government makes good its threat to "clean up" the Fraser River sockeye in the event of the refusal of the United States senate to pass the sockeye salmon treaty.

Result of such a drastic step would be to eliminate the Fraser, once regarded as one of the world's chief sources of edible commercial fish, as a base of fishing operations. Canneries would be moved elsewhere, as it would become the policy of the industry and the government to concentrate on development of the northern rivers, such as the Naas and the Skeena.

Advices from Washington, D.C., indicate that the sockeye treaty will not be ratified at the present session of Congress, despite the fact that it has the approval of the house and President Hoover. This would mark the fourth failure of the treaty in the Senate, largely due to the determined opposition of cannery interests in the state of Washington who object to regulation of fishing in Puget Sound waters.

"British Columbia has been doing its best to conserve the sockeye run on the Fraser for years and the fishermen have been restricted on this side of the boundary, but all these measures are useless when fishermen from Puget Sound cities are able to take all they want from the Fraser River run before it reaches Canadian waters," explained a British Columbia packer. "Naturally the Canadians don't see why they should be penalized while Americans operate without restriction. The present situation would lead ultimately to the destruction of the Fraser River run anyway. If that is to occur, Canada might as well get her share of the spoils."

Loss of the Fraser River would, of course, be a serious thing to the industry. John P. Babcock, one of the best informed authorities on the sockeye salmon, estimates that with proper international measures of conservation, the Fraser could be built up to yield $30,000,000 annual revenue, which is considerably more than the entire industry yields now in its best years.

Seek Lighted Air Fields

The Winnipeg Board of Trade has sent a resolution to the Associated Boards of Manitoba urging action on a plan to have suitable and properly marked lighting fields, for aircraft, in Manitoba towns.

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INVESTMENT TRUST MERGER APPROVED

Diversified and Research Assets Sold; Will Exchange Shares

Preferred and common shareholders of both Diversified Investment Trust Ltd. and Research Investment Trust Ltd. have ratified a proposal to sell the assets of these trusts to a new company which is to be formed with an authorized capital of 100,000 no par value shares. The new company is now in process of formation and will have some 34,000 shares outstanding and a board of seven directors.

Preferred shareholders of Diversified Investment Trust Ltd. will receive 4½ shares of common stock in the new company for each share of preferred held while preferred shareholders of Research Investment Trust Ltd. will receive 1½ shares of common for each preferred share held. Common stock of both trusts will be exchanged share for share with that of the new company. On arriving at the basis of exchange security values were taken at the market in January. Securities held by the two trusts, valued at approximately $40,000, show a depreciation of some 60 per cent from cost.

Research Investment Trust was formed early in 1930 and has some 2,540 shares of preferred stock and 2,930 shares of common stock outstanding. Diversified Investment Trust Ltd., formed in 1928, has [illegible] shares of $50 preferred stock and 12,371 shares of no par value common stock outstanding. Both trusts have been under the same management.

Refined Sugar Stocks Increased in January

From Our Own Correspondent

MONTREAL.—Manufacturing activity of Canadian sugar refiners was well maintained in January, 1932, compared with the same month in the previous year, and inventories were slightly higher by 44,000,000 lbs. at 155,110,491 lbs.

Domestic shipments in January were lower by over 4,000,000 lbs. at 47,272,109 lbs. and exports were down nearly 50 per cent at 493,500 lbs. Total shipments in January, therefore, amounted to 47,765,878 lbs. compared with 52,265,774 lbs. in the same month in 1931. Total manufactures in January showed an increase of 700,000 lbs. at 27,891,289 lbs.

Imports of raw sugar in January were [illegible] 985,700 lbs. and [illegible] refined sugar dropped from 374,400 lbs. in January, 1931, to 101,300 lbs. in the same month this year.

Exports in January at 493,500 lbs. were down from 952,700 lbs. in the same month in 1931.

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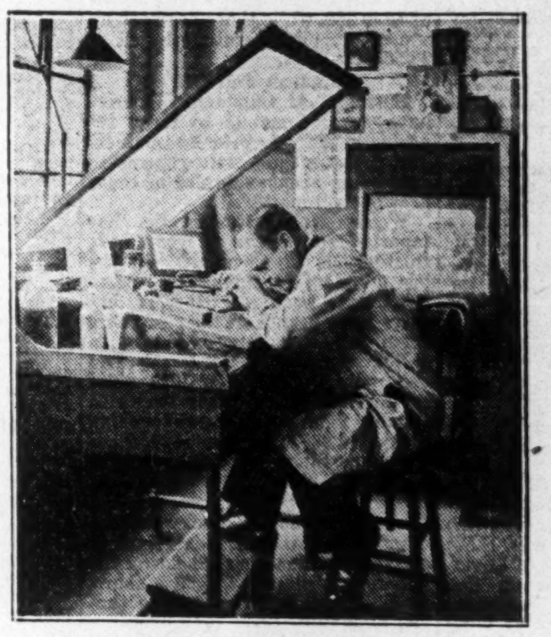

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News of Investment Markets

HEATING PRODUCTS REPORT REVEALS OPERATING LOSS

Deficit of $98,834, After Write-Offs, Brought Forward

From Our Own Correspondent

MONTREAL.—Operating loss of $41,429 is reported by Enamel and Heating Products for 1931 compared with a profit of $51,526 in the previous year. After provision for depreciation and payment of dividends, now suspended, there was a net deficit for the year of $63,804 compared with a deficit of $12,724 in the preceding period.

Further deductions totalling $32,985 have been made. These include the writing-off of expenses in connection with creation of a bond issue, now deposited with the bank as security for loans, and an adjustment of $18,581 in inventories to current replacement values. Debit balance at profit and loss at the end of last year was $98,834 compared with a surplus of $1,557 at the end of the previous year.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1931 $	1930 $
Oper profit	*41,429	51,526
Deprec.	15,000	20,000
Net profit	†56,429	31,526
Dividends	7,375	44,250
Surplus	†63,804	†12,724
§Deduct	32,985	10,928
Balance	†96,789	†23,652
Prev. bal.	‡2,045	25,209
P. & L. bal.	†98,834	1,557

§Prior year adjustments and income tax, and, in 1931, bond issue expense $14,403, and adjustment of inventories to current replace values $18,581.

†Debit balance.

‡Deficit of $2,045 brought forward after adjustments for prior year and income tax.

*Operating loss.

Working capital shows a reduction, totalling $12,743 compared with $115,212 at the end of 1930. Current assets are lower by $81,000 at $400,661 and current liabilities are up $21,000 at $387,918.

The balance sheet shows inventories down $74,000 at $328,974 and organization expenses, carried at $24,903 in the previous report, have been eliminated.

Bank loans have been increased from $310,250 to $344,250. A mortgage has been reduced by $300 to $6,050 and there have been issued $400,000 of six per cent first mortgage bonds, due 1951, held by the bank as security for loans. Capital and surplus is carried at $929,395 compared with $1,063,037 at the end of 1930.

Remarks to Shareholders

In his remarks to shareholders, N. A. Hesler, president of the company, says in part:

"The entire expenses of creating the bond issue, which of course we were not able to market in view of the high returns from government issues, has also been written-off and the bonds deposited with the bank as security for its bank loans.

"During the year dies and patterns were completed for a complete new line of electric and gas ranges, which makes your company's line of heating equipment complete in every detail, which will not only increase the volume of business this year, but will further the establishment of your company's excellent relations with the trade."

Bond Tenders

March 19. Parish of Sainte Therese d'Amos—$125,000, 6 per cent bonds, dated May 1, 1932, redeemable serially from May 1, 1933 to May 1, 1962, payable at Bank Can. Nationale, at Montreal, Quebec, and Amos. J. A. Mireault, sec.-treas.

Great Lakes Paper Custodian Appointed

Great Lakes Paper Co. has been adjudged bankrupt and F. C. Clarkson has been appointed custodian by the Ontario courts on petition made by Inland Coal & Dock Co., an unsecured creditor to the extent of $253,509. The interest of bondholders is not adversely affected by the judgment.

It is stated that the winding up order is a necessary step in the administration of the company. All creditors are now represented by the custodian. This may materially assist reorganization of the company and does not disturb the management of the company now in the hands of National Trust Co. acting as receiver and manager.

The mill at Fort William is being operated at 35 per cent of capacity. At this rate it has been possible to show some surplus on operations.

Dominion Bond Flotation Cost Was Very Small

Costs absorbed by the Dominion Government on its refunding and financing programme in 1931 were recently revealed in the House of Commons following a question placed by one of the members.

The Dominion paid total commissions of $2,960,358 to chartered banks and bond dealers for services in connection with the $643,109,300 Conversion Loan placed in May. In addition, cost of advertising, printing, engraving of the bonds and clerical assistance amounted to $599,425 and the total cost is therefore only 55/100 of 1 per cent on the principal amount of the bonds issued.

The National Service Loan, floated in November, 1931, was subscribed to the extent of $221,198,358. Commissions to banks and dealers amounted to $1,819,106, while other expenses are placed at $266,000. The cost on this issue, which represented new money, amounted to 95/100 at 1 per cent of the principal amount issued. The cost of the National Service Loan was naturally higher than that of the Conversion Loan due to the fact that new money had to be secured whereas, in the Conversion Loan it was merely a case of exchanging new bonds for old bonds.

Syndicate Offers $426,000 Hull 6 Per Cent Bonds

From Our Own Correspondent

MONTREAL.—A syndicate headed by the Provincial Bank of Canada is offering $426,000 City of Hull, 6 per cent, ten-year serial bonds at par. The bonds are being issued for waterworks, pavements, sidewalks and other purposes.

Of the total, $130,000 is dated February 1, 1932, and matures February 1, 1933 to 1942. The balance, $296,000, is dated March 1, 1932, and matures on March 1, 1933-1942. It is stated that all maturities from 1933 to 1941 inclusive have been sold.

Included in the offering syndicate are Crédit Anglo-Francais, Ltée., La Corporation de Prêts de Québec, and Geoffrion and Rainville.

Toronto Harbor Growth Continued During 1931

Development of Toronto harbor is clearly shown in figures recently submitted by the Toronto Harbor Commissioners which show assessed value of occupied harbor properties in 1931 at $19,920,746 as compared with $1,976,804 in 1912. Taxes received by Toronto from such properties since 1912 total $3,920,127 or $194,530 less than total advances made by the city under its guarantee.

Located on reclaimed industrial areas there are 73 companies which have 5,000 employees and which have invested some $36,000,000 in land buildings and equipment. Present sites of these industrial areas were covered by water or marsh 20 years ago. Lands leased and sold in 1931 amounting to 41.76 acres had a value of $1,349,744. This represented an increase of 26.23 acres and $694,186 in value over corresponding figures for 1930.

In 1931 waterborne tonnage was 2,122,066 tons which was an increase of 64.1 per cent over that of 1930. The 1930 total was over twice that of 1927. Increase in 1931 was due to opening of the new Welland ship canal.

New Brunswick Budget Anticipates Surplus

The New Brunswick budget for the current fiscal year, ending October 31, 1932, estimates revenue at $6,789,456 and expenditure of $6,786,859 and a resultant surplus of $2,597. New taxation is expected to bring the province an additional $475,000 while expenditures have been cut by $550,000.

Taxation increases include additional gasoline tax of two cents per gallon; the corporation tax will be amended to provide increase in tax on banks and insurance companies for not more than two years; succession duties will be increased 10 per cent and motor license fees are increased 5 cents per 100 lbs. New services have been postponed and all social and economic services, not absolutely essential, will be restricted.

The additional revenue expected will be derived as follows: $300,000 from extra gas tax; $100,000 from banks and insurance companies; $70,000 from new motor license fees and $25,000 extra from Succession Duties.

Out to Balance Budget Coast Province's Policy

From Our Own Correspondent

VANCOUVER.—Unprecedented retrenchment in public expenditure and establishment of treasury control during the present session of the legislature have been promised by Hon. J. W. Jones, minister of finance in the British Columbia government.

"When the budget comes down in a few days a good deal of your anxiety will be quelled," said Mr. Jones to a business delegation. "We have cut expenses to the limit to balance the budget and we have retrenched so far that perhaps we have even endangered some of our revenue-producing services."

While Mr. Jones did not state just what form of treasury control would be set up, it is understood that the government plans to name a special committee of the cabinet with sweeping powers to cut down or eliminate appropriations allotted to various departments of the government, at any time during the year.

There is small prospect of British Columbia having a deficit of more than $3,000,000 this year, according to Mr. Jones, who took occasion to contradict newspaper stories to the effect that the deficit would run between $5,000,000 and $10,000,000. The latter figure, he said, was ridiculous. Those who had computed $5,000,000 as the approximate deficit, he said, had included special warrants for unemployment relief in the expenditures and these did not rightfully belong to the year's estimates.

Edmonton Meets Maturities

Edmonton, Alta., with $1,340,000 of debentures maturing on April 1, 1932, has already made provision for payment of the bonds at maturity. The city has a total of $1,385,592 in bonds maturing during 1932. Redemption of maturing bonds out of sinking fund has been made to the extent of $903,000 in 1931; $739,000 in 1930 and $984,000 in 1929, according to F. Burnham, city treasurer.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Electrical Develop. of Ontario‡	5%	....	Mar. 23	...
Wabasso Cotton	§6%	1947	June 1	105

†Or before.

*Called in part.

‡Purchase of bonds ($90,000) for sinking fund.

§$10,000.

Bond Sales

HYDRO-ELECTRIC POWER COMM. OF ONTARIO

Griffis, Fairclough & Norsworthy, Dyment, Anderson & Co. and Cochrane, Murray & Co. have been awarded $500,000 4¾ per cent bonds, due 1970, of the Hydro Electric Power Commission of Ontario which carry a provincial guarantee from Dominion Power & Transmission Co. The successful bid was not divulged but retail offering was made at 90¼. The bonds are reported to be all placed with investors. The block does not represent new financing.

Unsuccessful bids are reported as follows:

Can. Bank of Commerce, J. L. Graham & Co.	86.88
F. W. Kerr & Co.	86.36
Gairdner & Co.	86.375

Bids were made on an optional basis, as follows:

Wood, Gundy & Co., Nesbitt, Thomson & Co.	89.60
McLeod, Young, Weir & Co. and syndicate	86.80

STEEL OF CANADA DREW ON SURPLUS TO PAY DIVIDENDS

Earned 82 Cents Per Share in Year of Sharply Falling Demand

Steel Company of Canada continued to pay preferred and common dividends throughout 1931 even through it had to draw $661,191 from the very large accumulated surplus of the company to do it and even though the Canadian steel industry has seldom encountered such a serious reduction in demand as occurred during the closing months of the year. Though the company entered the year with reduced operations and found business throughout the year to be on a declining scale it was able to earn after bond interest, depreciation and sinking fund, $598,550, equivalent to 82 cents a share on 259,852 shares of 7 per cent cumulative preferrence stock of $25 par value and 460,000 no par value ordinary shares.

Ross H. McMaster, president, in the report to shareholders states that the directors felt justified in continuing dividends even though these were not fully earned in view of the excellent liquid position of the company and the conservative distribution of earnings during previous years.

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931 $	1930 $
Net earn. from oper.*	2,058,653	3,219,010
Add:		
Int. & inc. from sec. & invest.	365,818	358,459
Total net earnings	2,424,471	3,577,469
Less:		
Depreciation	1,200,000	1,204,063
Bond interest	275,756	294,358
Bond sinking fund	350,167	337,765
Net profit	598,548	1,741,283
Less appropriations:		
Pref. divds.	454,741	454,741
Ord. divds.	805,000	805,000
Surp. for year	†661,193	481,542
Add:		
Previous surplus	14,502,444	14,020,902
Less: Tax adj. 1930	45,165	....
Bal. carried fwd.	13,796,086	14,502,444

*After charges for repairs, maintenance and provision for income tax. †Debit.

Working Capital Gains

Working capital of the company grew during the year from $13,767,043 to $13,809,634, the latter amount being more than the accumulated surplus of the company and showing how very liquid the assets of the company have been kept.

Working Capital

	1931 $	1930 $	1929 $
Cur. assets	15,220,909	15,209,677	16,746,272
Cur. liab.	1,411,275	1,442,634	3,282,454
Work. cap.	13,809,634	13,767,043	13,463,818
Ratio	10.78—1	10.54—1	5.10—1

Inventories are Down

In view of the reduced operations in 1931 the working capital of the company was turned back into a liquid form readily available for increased demand when it comes. Inventories, of course, dropped from $6,878,054 to $5,489,672 and at the same time cash went up from $555,974 to $1,307,426, secured call loans from $100,000 to $300,000, Dominion of Canada bonds and approved securities from a market value of $5,278,624 to $5,685,718. Accounts receivable did not show a comparable drop with inventories the amount going slightly up during the year from $2,321,350 to $2,355,041.

Accounts payable at $1,083,113 and bills payable at $10,074 compare with a total of $1,118,745 a year earlier.

Strong Reserves Increased

Cost of works owned and operated by the company amounted to $39,459,687, up $234,000 in the year, and investments in and advances to coal and ore mining companies and holdings of companies own bonds including those acquired for bond sinking fund amounted to $2,972,551, a decrease of $222,561 during 1931. Against these totals were reserves exceeding $20,000,000, and most of these were largely increased during the year. Furnace relining and rebuilding and other operating reserves increased from $1,605,580 to $1,724,991 though contingent reserve dropped from $824,648 to $637,588. Depreciation account advanced from $10,520,920 to $11,694,360 and bond sinking fund from $3,863,930 to $4,214,096. Appropriated surplus for betterments and replacements remained at $1,829,674 and for fire insurance reserve at $200,000.

Funded debt dropped from $4,753,580 to $4,438,116, very little more than the bond sinking fund total.

Securities set aside for special purposes include $230,746 representing shares of the company and National Service Loan bonds held in trust for employees $230,746, $422,504 in the Benefit Plan Fund and $802,242 in the Pension Plan fund. A note to the balance sheet states that of the marketable securities held by the company $52,000 are lodged wih the Royal Trust Co. under the terms of the Quebec Workmen's Compensation Act.

Some Improvements Made

In the letter to shareholders, Ross H. McMaster, president, states that sales of coke for domestic use showed a gain although profit per ton was lower than in past years. The company had an important advantage in costs by reason of economies resulting from the operation of the new ore and coal dock which reduced considerably the cost of assembling these raw materials. The expenditures on plant were confined to the completion of ore and unloading facilities, a new testing laboratory and the initial work in connection with the new skip hoist for "A" blast furnace at Hamilton works and the remodelling of the Shot tower at Notre Dame works.

As became common through the steel industry on this continent in 1931, the company reduced wages and salaries on October 15 in view of dropping prices for steel. As operating schedules were restricted the policy was followed of dividing the available work among as many employees as possible. The management of each plant was instructed to keep in touch with all employees in order to relieve any cases of acute distress.

The company wrote down all investment securities to market prices as at the end of 1931. As the "reserve for accidents to employees," which stood at $148,483 at the end of 1930, was made no longer necessary as a result of the establishment of the Quebec Workmen's Compensation Act effective September 1, 1931, this amount was used to write down securities as well as an amount drawn from contingent reserves.

Food Products Proposes Capitalization Reduction

Bondholders of Arnold Bros. Asked to Release Trust Deed Money For General Purposes—Security Extended in Return—Earnings Growing

Holders of Class "A" and common shares of Consolidated Food Products and of Arnold Bros. preferred and common shares have been called to a meeting at noon, March 29, 1932, and first mortgage bondholders of Arnold Bros. on March 31, to consider a scheme of arrangement whereby, if made effective, Consolidated Food Products, and its subsidiaries, Arnold Brothers and Pure Food Stores, will be amalgamated into one company under the name of Stop & Shop, Ltd. To accomplish this amalgamation with the minimum of expense, it is proposed that the name of Arnold Bros. be changed to Stop & Shop, and that the company under its new name acquire all of the assets of the other companies. Stop & Shop under this plan would retain its own present liabilities, including liability for the present outstanding Arnold Bros. 6 per cent first mortgage bonds.

Upon completion of the plan the financial structure of Stop & Shop will be greatly simplified as shown below:

Financial Structure Stop & Shop

20 year 1st mortgage 6 per cent sinking fund gold bonds Series "A" with $691,500 outstanding, representing the present outstanding bonds of Arnold Bros.

6 per cent cumulative participating preference shares, authorized $750,000, outstanding $555,550, this being a new stock given in exchange for the $500,000 note secured by debentures and held by a private holder.

No par value common shares, authorized 125,000 shares of which 75,000 shares will be reserved for conversion by preference shareholders, with 43,659 shares presently outstanding of which 20,120 shares are given on a 2 for 3 basis for 30,180 Class "A" shares of Consolidated Food Products, 23,449 shares are given on a 1 for 10 basis to 234,490 common shares of Consolidated Food Products and 90 shares are given to holders of the outstanding 900 shares of Arnold Bros., Ltd.

Under the Trust deed dated April 1, 1927, the Arnold Bros. bonds are secured by a first mortgage on fixed assets of the company and a floating charge upon all assets not specifically mortgaged. The Trust deed provides that the proceeds of sale of specifically mortgaged properties must be deposited with the Trustee but can be released to purchase first mortgage bonds for cancellation or to purchase additional fixed assets. These sums have not been available for paying interest or for general purposes of the company. Under the present proposals directors of Arnold Bros. ask the use of these moneys for payment of bond interest and for other general purposes upon resolution of the directors of Shop & Stop, but that there must be reserved with the Trustee a sum sufficient to provide for payment of bond interest due April 1 and October 1, 1932 and April 1, 1933. In a comprehensive pamphlet explaining the plan, R. H. Hommel, president, says that "it is believed that by April 1, 1933, the business will be operating on a basis that will permit of payment of interest out of its revenues."

Holders of first mortgage bonds are also asked to release the floating charge now contained in the trust deed. This, it is stated, does not affect the position of the bondholders as current assets of Arnold Bros. have all been advanced by Consolidated Food Products.

In return for these releases the present mortgage will be extended to cover all fixed assets of the three companies instead of just those of Arnold Bros., the additional assets being estimated at $167,500, and all of the capital stock of Pure Food Stores, which will continue to hold leases, will be pledged under the trust deed. By accepting the changes proposed, it is stated that the bondholders would have a charge against 115 operating stores instead of only 52 stores as at present.

Noteholder Accepts Preferred

If the plan becomes effective, the present holder of the $500,000 note of Consolidated Food Products, secured by debentures upon that company's properties, will accept in exchange the outstanding $555,550 of 6 per cent preference shares to be outstanding. That permits the extensions of security for Arnold Bros. mortgage bonds.

Holders of bonds are asked to relinquish the right to payment otherwise than in Canadian currency. It is believed that only a few are held in the United States or England but exact data in this respect is missing as most of the bonds are bearer bonds. The latter will have to get in touch with Montreal Trust Co. at Toronto or Montreal.

Under the new plan the company will consent to the modification of the Trust deed to provide that the proceeds of future sales of properties will be used only for the purchase and cancellation of outstanding first mortgage bonds, the company relinquishing the right to acquire additional capital assets from such proceeds. The present policy of the company is to sell fixed properties when this may be accomplished without adversely affecting operations of the business, and it is hoped gradually to reduce amount of bonds outstanding.

Bondholders are also asked to relieve the company of sinking fund obligations until April 1, 1937.

No Dividends for Years

Class "A" common shares of Consolidated Food Products, entitled to $1.50 a share annually in dividend distributions and to share equally above that amount with common stock is asked to exchange three shares for two shares of the new common stock. It would need 20,120 common shares to exchange for the present 30,180 Class "A" shares outstanding. No dividends have ever been paid and the company's balance sheet shows an impairment of 2,587,883 due to losses and to reductions in capital value of properties. Mr. Hommel states that there is no prospect of paying dividends for many years to come even if the company were able to operate under existing conditions without the help of this plan.

The holders of 234,490 common shares of Consolidated Food Products are asked to accept one new common share for every 10 common shares now held or 23,449 new common shares. The present common shares rank junior to $691,500 first mortgage bonds, the $500,000 secured note due on demand and the 30,180 Class "A" shares.

Improvement in earnings is shown in the 11 months ending February 27, 1932, as compared with two preceding periods as shown by the following table:

	Apr. 1 1929 to Mar. 28 1930 $	Mar. 29 1930 to Mar. 28 1931 $	Mar. 28 1931 to Feb. 27 1932 $
Gross earn.	1,476,937	1,481,774	1,284,860
Expenses	1,599,102	1,712,298	1,237,361
Net earn.	122,164 (Deficit)	230,524 (Deficit)	47,498 (Profit)
Int. chgs.†	75,019	94,007	87,727
Depreciation	6,500	nil	45,030
Deficit	203,684	324,531	85,259

†Including bond interest, debenture interest, bank interest.

If the plan is accepted the balance sheet will show as of February 27, 1932, total assets of $1,729,509 as compared with $2,082,994 of March 28, 1931. Current assets are $469,355 in addition to $62,235 cash with trustee for interest payments to bondholders and current liabilities $256,192. On March 28, 1931, current assets had been $536,255 and current liabilities $312,717. In the interval bank loan dropped from $50,000 to $40,000 and accounts payable from $262,717 to $216,192. Cash will be up from $112,985 to $129,830, if the plan is accepted by bondholders. Funded debt drops from $1,026,000 to $691,500.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Holt Renfrew	Jan. 31	*141,815	94,988	...	2.50	...	670,436	882,251	75	...	...
Robt. Mitchell	Dec. 31	60,725	143,188	0.87	2.05	1	628,427	684,854	6⅞	7.9	14.5
Saguenay Electric	Dec. 31	4,510	2,192	...	...	...	†17,734	†6,551	..	...	...
Cooksville Co.	Dec. 31	36,479	86,969	...	3.69	...	761,650	741,170	..	...	...
Claude Neon Gen. Adv.	Dec. 31	188,395	485,907	0.7	0.86	...	834,361	980,088	..	...	...
Can. Power & Paper Invest.	Dec. 31	84,021	151,976	...	2.70	...	559,451	547,367	.50	...	...
Russell Motor Car	Dec. 31	103,090	183,962	...	6.25	2	580,077	586,987	35	...	5.7
F. N. Burt	Dec. 31	286,786	346,808	...	3.19	3	1,146,911	1,186,848	29	...	10.3
Moore Corp.	Dec. 31	567,950	742,355	...	1.26	0.50	442,210	535,824	8½	...	6.1
Steel of Canada	Dec. 31	598,550	1,741,283	0.83	2.42	1.75	13,796,087	14,457,278	..	...	...
Noranda Mines	Dec. 31	2,374,041	3,842,115	1.06	1.72	0.50	5,112,887	3,890,114	19¾	18½	2½
K. L. Gold Mining Co.	Dec. 31	203,051	6,010	0.04	...	...	48,741	......	48c	12	...
Premier Gold Mng.	Dec. 31	103,599	6,832	0.02	...	0.12	......	......	50c	25	24
Dalhousie Oil	Dec. 31	26,640	34,231	0.01	0.01	...	......	......	..	...	...
International Nickel	Dec. 31	5,094,497	11,770,060	0.22	0.67	...	16,757,813	20,646,169	9	41	...
Canadian Gen. Elec. Co.	Dec. 31	2,308,154	3,765,798	9.05	16.77	4.00	6,953,180	5,999,449	..	...	...
Pressed Metals Co. of America	Dec. 31	*45,802	*14,347	...	...	0.25	8,812	108,600	..	...	...
Can. General Investment Tr.	Dec. 31	......	......	...	...	...	......	......	..	...	...

*Loss. †Deficit.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Hull, Que.	Mar. 14	Provincial Bank and syndicate	6%	1933-42	$426,000	....	.....
North York Twp.	Mar.	Privately	6%	....	400,000	....	6.25%
St. Flore, Que., Parish of	Feb. 15	Florido, Matteau, Courtier	5%	Serial	20,000	87	6.30%
Provincial—							
Saskatchewan	Mar.	Royal Bank, A. E. Ames and syndicate	6%	1952	$4,000,000	*94.45	6.50%

*Offering price.

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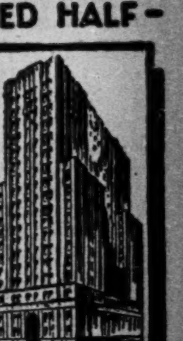

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TORONTO, MARCH 19, 1932

WHY SHOULD CANADA URGE ANOTHER WAR?

IF THE League of Nations were to back the request of Sir George Perley for a high moral declaration against Japan the world might very quickly be involved in another gigantic conflict. Canadians will hardly agree that the obvious implication of Sir George's plea is at all desirable; the larger nations, too, are decidedly averse to undertaking another world war at this time, for such a struggle would most assuredly destroy our existing social and economic institutions.

Time after time the smaller nations at Geneva have made similar proposals. With the multiplicity of small nations represented at Geneva it has been difficult to keep the League from plunging the world into war. The League will probably avoid a definite expression on the Sino-Japanese affair at this time; a definite expression would automatically bring into force provisions of the covenant that would make war inevitable.

The League of Nations is pretty much a waste of money, including over $200,000 a year of Canada's money, but its worst feature is that, in its open assemblies, charming but too often simple gentlemen become, through influence of forces working underground, such forces as the battleship makers and the munitions trusts, propagandists for just the sort of world conflicts that the League was supposed to end for all time.

WAGES OF INVESTORS

IN MORE than one quarter of Canada, the suggestion is made that, if salaries of wage earners, white collar workers and civil servants are to be cut, other classes in the community also should take a cut. The reference is to investors. As the Farmers Sun, of Toronto, asks "What of the rate of interest paid by Ontario taxpayers to the bondholder classes?"

Dividends can really be dismissed from consideration. Many companies have dropped their dividends entirely. Those that have maintained their dividend rates intact are in almost all cases the companies that built up substantial reserves out of previous earnings, who did not give to their investors in more prosperous times all the dividends to which they might have felt themselves entitled.

Interest is another matter. At the present time interest rates are higher than at any time in the past ten years although wage rates and profits of practically all workers have been reduced. It does not appeal to the ordinary man that a government that cuts civil service salaries should have to pay a higher wage for the capital it borrows. Yet this condition has always applied. Rates for capital have nearly always been in inverse ratio to the level of prosperity. Before the Farmers Sun or any one else can do anything about that they have to erase the business cycle, they have to stabilize the commodity price level, they have to reform the financial psychology of all the peoples of the world. Some people would do it by communism, but the one nation that can not borrow at all except by sacrificing the bodies and souls of its people is the world's one Communist state.

Prof. Irving Fisher once made the statement that "interest remains the great economic riddle." Capital value is income capitalized or discounted. Thus as the rate of interest rises capital value falls. The reason then that interest rates are high now is that capital values have fallen. The 6 per cent borrowing rates paid by the province of Ontario for example, do not reflect the prosperity of the investment classes, but the decline that has taken place in the value of their invested capital. Part of this decline is on paper; but a very large proportion of it represents actual loss. If a high yield rate on a bond issue is a good thing for an investor the holders of some South American bonds yielding a nominal return of 15 to 20 per cent should consider themselves fortunate. But they know that the higher the interest return the nearer it is to nothing at all for a high interest return spells a degradation in the investment which will lead in extreme cases to complete and final default.

Unfortunately, figures of the classes of income of the Canadian people are not available but an American analysis shows that, in 1931 as compared with 1929, wages declined 49 per cent; salaries 45 per cent; corporation dividend income 40 per cent; capital profits 92 per cent; interest on foreign investment 40 per cent; interest on bonds, mortgages, etc., 26 per cent. These are classes of incomes in which investors are interested.

High interest rates are then no evidence of prosperity among investors but quite the opposite.

To take advantage of present high rates, investors have to sell at a considerable loss investments they bought earlier and which have been paying them much lower returns than are now available. If they have new capital or maturing funds coming in they are more fortunate. But in soliciting the use of these funds governments are in competition with a capital-hungry world. The trouble is that there are more would-be borrowers than there are holders of available capital, who have confidence in the bona fides of these borrowers.

There is heard now the suggestion that interest rates paid existing holders of public securities should be cut. This overlooks the fact that in the cycle of events investment yields have their ups and downs and they are usually down when most people are prospering. In the war years when most producers, including farmers, prospered, and when wages were rising no one suggested calling in the three per cent government bonds in order that six per cent bonds might be issued in exchange. Why should we now call in six per cent bonds to issue three per cent bonds in return?

The real culprit in economics is harder to get at; it is not the farmer, or the investor or the wage earner. It is the two-fold force that brings about changes in the purchasing power of money and changes in the level of production and consumption, the force that brings undue prosperity to various classes in one year or one era and undue loss to the same class at another time. Unfortunately, it is not possible to send out the town constable to put this economic force in the lock-up.

FOREIGN BRANCH PLANTS AS WEALTH CREATORS

CANADIANS have no intention of giving up their recognition of United States and other foreign branch plants in Canada. As was pointed out in "The Nation's Business" column last week, there is a tendency in Great Britain and in some of the other countries of the Empire to view branch plants of foreign concerns as somewhat outside the home field and to regard their invasion with some distrust. But to Canadians the foreign branch plant is a most valuable asset. Without them we could not have developed to our present industrial and commercial prominence, nor could we have developed our large export trade. Canada will continue to go after foreign branch plants and to give them, once they are established here, the same political and business treatment that is accorded to plants 100 per cent owned in Canada.

Branch plants in Canada have mainly been responsible for the development of many of our natural resources and raw materials and the creation of our national wealth. They build buying power in Canada, and if Great Britain and the other countries of the British Empire would go more vigorously and efficiently after our markets, they would be able to tap this buying power to a greater degree than they have done in the past.

In many cases, outside interests come into Canada and take over control of smaller Canadian businesses which have not developed either from lack of aggressive and experienced management or from lack of capital or from some other similar reasons. It can hardly be argued that this development is prejudicial to the interests either of Canada or the Empire.

Another point to consider regarding foreign branch plants is that in most cases control of them eventually passes to Canadian interests.

DEPUTY MINISTERS AND THEIR STAFFS

THERE is a revival at Ottawa of the demand that patronage should be restored. Members of Parliament feel that they should be the people to choose persons to take over government jobs. Many very specious arguments are being put forward. It is argued, for instance, that the local member knows all the people in his constituency and is the best judge of the fitness of any applicant for a position. Those members who are frank enough to argue that "to the victor belongs the spoils" and who do not attempt to hide behind roundabout arguments, such as the one quoted, are to be congratulated on their sincerity, at least.

The public generally has no sympathy with the practice of political patronage and it is an insult to the intelligence of the electorate to suggest its restoration at the present time. Nevertheless, there is general dissatisfaction with the operations of the civil service commission. The difficulty with a commission of this character is that it tends to freeze the civil service into a condition of immobility. In its endeavor to be fair to all, the civil service commission reduces appointments to a formula, and to a considerable extent reduces all public servants to a dead level of importance. Red tape has been wound around the system of appointment and promotion to such an extent that there is little attraction in public service for any ambitious individual.

In private business, especially in very large firms, there are often employment offices or personnel executives who take over the major portion of the work in connection with handling new employees for the factory or office. In the final analysis, though, the authority for appointment, promotion and dismissal rests with department managers. Why should this procedure not be followed in the appointments to the civil service? All the important departments of government are in the hands of deputy ministers. Deputy ministers should be given complete control of appointments. No deputy minister can successfully administer a department without being able to select and control his staff.

Of course, it will be argued that this system opens up the field to patronage again. It will be stated that the deputy minister will be merely a tool in the hands of the minister himself and will have to do exactly as he is told in regard to his staff. This is a condition in our governmental system that displays itself in other directions. The remedy would be to make certain that the deputy ministers are men of independence and high executive calibre. Some of our deputy ministers are not sufficiently well paid. The salaries that are given are not such as to retain the best men in the public service. In some cases, deputy ministers are making heavy financial sacrifices to remain in the public service out of a sheer sense of loyalty to the state. This, of course, is not right.

If good deputy ministers were given complete authority over their staffs, the public would be quick to detect places of purely political appointment.

HONEST FINANCING FOR NEW MINES

HON. CHARLES McCREA, Minister of Mines for Ontario, in a recent address, entreated the public to give financial support to mining efforts, as the industry has proven itself to be the very lifeblood of Ontario. The soundness and sincerity of Mr. McCrea's request need not be questioned. But the public must learn to distinguish between the serious mining efforts he was speaking about and the offerings of those promoters who have no real interest in Canadian mining except as a means of livelihood through the sale of spurious issues.

Lt.-Col. G. A. Drew, Commissioner of Ontario's Security Frauds Prevention Act, recently tersely stated that he proposed to see "that the money raised for mining development went for that purpose and not into the pockets of the promoters." He has set himself a difficult task, for the man who wants to milk the public can usually find a way, law or no law.

Mining is still burdened unduly with parasites — promoters and their allies — who are working, not in the interest of mining but for their own selfish gains, which can only serve to discredit and retard legitimate mining endeavor. Mining is not a positive science and therefore involves much risk, but as compensation the rewards are high when efforts are attended with success. It is the speculative element, the uncertainty, which appeals to the man on the street, and all that he asks in return is that his money (less reasonable commissions) be put into development and not into the pockets of promoters. In the past he has been most liberal in financing mining enterprises, but unfortunately he has learned that only a small portion of his contribution has gone into development.

Faith in mining, to a large extent, has been shattered by the parasites of mining, and this faith must be restored if additional funds are to come from the lay investor.

Mining is too important to Canada's future to be discredited and made a tool for unscrupulous promoters. If it has had more than its share of unsound promotion this only emphasizes the need for more strict regulation in the future.

By all means let us have new mining issues in order that the public may participate in financing properties of promise, but let us, as far as possible, give the public a square deal and a run for its money by seeing that its contributions are expended for development.

Legislation alone will not curb the evils of the past; it requires the whole-hearted support of the brokers and engineers as well.

In the meantime it is foolish to declare, as some writers are now doing, that Canadian mining needs more promoters, more speculators and more optimists. We've had plenty of all classes but it is the ethics of the promoters, the ability of the speculators to see themselves through, and the soundness of the optimism that counts.

EDITORIAL NOTES

The yes man ends up in the no man's land of business.

* * *

No. 1 of the Australian News Letter has been sent to Canadian editors. Through its different national sections the Empire Press Union keeps editors all over the Empire informed on what is going on under the British flag. The Canadian section started to send out Canadian news about two years ago. The interchange of news between different parts of the Empire will be helpful in trade development.

POST-scripts

AT THE National Motor Show at Toronto, one of the exhibitors added to the attractions of his display by requisitioning several mannequins to grace his stand. It is questionable whether it was good or bad business from the point of view of gaining attention for his cars. One American who was having the new improvements of the car explained to him by a salesman was obviously not keeping his mind on the subject, and did not seem to be utterly surprised when he was told that "all these models have demountable free-wheeling." But when at the end of the dissertation the salesman told him that if he came back tomorrow they would have a stripped chassis to show him, the American was heard to murmur something about "the wonderful hospitality of you Canadians."

ANNOUNCEMENT that leases of certain stretches of New Brunswick salmon and trout streams will be put up for auction in April has turned many a fisherman's thoughts toward next summer; flies and rods are being examined with that minute care which seems so futile to the incompleat angler. Perhaps the most classic example of the hold which fishing can obtain on a man is seen in the following story: In Montreal there is an individual whose one object in life is the pursuit of game fish. To him life is just one long cast, though at one time he did reel in his line long enough to get married. In later years there came a time when a nurse approached him in the waiting room of a hospital and informed him he was the father of a seven-pound boy. The fisherman looked at her with a vague expression for some time and then repeated slowly: "A seven-pound boy. Now what would that be in terms of black bass?"

SPEAKING at the recent dinner in Toronto in connection with the National Motor Show of Canada, Alfred Reeves, vice-president of the National Automobile Chamber of Commerce of New York explained that the difference between a preferred creditor and one of the common, or garden, variety is that the preferred creditor knows now that he is not going to get a cent, while the other will not know it for three months.

WHAT have the Scots done for Canada? This question was launched at the home of a friend not long ago and though dirks were not drawn, still there was sufficient Scotch blood in the audience to rise up and defend the land of oatmeal and heather. "What have the Scots done for Canada?" repeated one member, long a resident of Canada. "Why in 1759 Canada was surrendered to England by one Scotsman to another Scotsman on land owned by a Scotsman." Proof was demanded and the defender of Scotland went on to explain that the surrender had been made by de Ramezay (of Château de Ramezay fame), who had Scotch forebears, to General Murray, who was a Scot of the Scots, on land owned by Abraham Martin, the first pilot of the St. Lawrence River, whose forefathers had come from the Land of the Thistle.

FOR the sum of $22,000 one could buy a very fine residence, land and all, in Toronto or Montreal. Few people with incomes less than $10,000 a year would essay to live in a $22,000 house. But it is different when one is warden or deputy warden of a federal penitentiary or so one would judge from a reply given in the House of Commons the other day. Two houses were built at Dorchester for the warden and the deputy warden; the cost was split, making the expense of each house to the government $22,241.93. The warden receives a salary of $3,450 a year but the job is hardly comparable to an ordinary position paying such a salary, for the warden receives house, light, heat, water and uniforms free in addition to one automobile "for official business."

The average person would figure that living free in a $22,000 house was a perquisite worth at least $2,000 a year. Getting fuel and light would be worth something substantial in addition. Yet the government values the perquisites attached to the wardenship at $840 a year which wouldn't pay interest on the money borrowed to build the house.

THE Canadian Trade Publicity Department, a branch of the Department of Trade and Commerce, Ottawa, recently organized a limerick competition to advertise Canadian apples in Great Britain.

The six best entries received, which are reproduced hereunder, won a box of Canadian apples each:

There was a young lady of Ryde,
Who ate FOREIGN apples and died.
The apples fermented
Inside the lamented
And made cider inside her inside.

A lady whose cooking's a treat,
While mixing the Christmas mince-meat,
Said "Apples from Canada,
Chopped in the pan, add a
Richness that nothing can beat."

A pretty young lady of Eden
On an apple'd been recklessly feedin';
A red Maple Leaf
Would have saved her from grief,
Had she known where the business was leadin'.

To a certain young lady of Bute,
Said her lover "Your figure is cute."
She explained then to him:
"I keep supple and slim
By eating Canadian fruit."

The Commonwealth Commerce we're propping,
And dumping from other parts stopping.
Of "EMPIRE TRADE"
A slogan we've made,
And the APPLE from CANADA'S topping.

A loyal young housewife of Lea
Said "Canadian Apples for me!
For an apple a day
From the Empire, they say,
Makes you healthy and happy, you see!"

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

TARIFF AND WAR DEBTS

THE British are clever propagandists. Some of their writers are now quoting Washington, Jefferson and Hamilton as authorities backing the British point of view on international war debts and American tariff policy.

After the American War of Independence there was a large total of commercial debts due from business men of the new nation and payable in London. But the British fiscal policy made it practically impossible for the young country to sell in Britain. When the business men of the States resented being called upon to pay these debts the statesmen in question argued the principle that a demand for payment of debts is logically and equitably inconsistent with a refusal to take goods shipped or services rendered in payment of them.

Hartley Withers, who has written one article on the subject, contends that the European war debts were very reasonably settled by the United States and he feels that Britain and the continental nations can not object to the treatment accorded them in the settlements. But the good effect of the reasonable fair settlements, he thinks, has been spoiled by the American tariff policy which makes payment in goods or services impossible.

* * *

A MOVEMENT is under way in the United States to create sentiment in favor of a more generous tariff policy for that country. Of course, scores of movements start every day in that country and it is cursed with a superfluity of societies and organizations. Nevertheless, this one is rather significant. A mass meeting of business men in New York on March 21 will try to get the thing going.

The argument is that to restore world-wide and large scale consumption of goods, upon which the employment and well-being of many Americans depend, concerted action is urgently required to halt the strangulation of international trade caused by excessive tariffs everywhere.

The World Trade League of the United States has been formed to co-ordinate individual efforts of the many American citizens engaged in foreign trade and its agencies of distribution — steamship lines, railways, forwarding, insurance and financing firms, and the like —in emphasizing the need for a reasonable exchange of goods among nations.

The League proposes to create a better understanding of the need for a reciprocal tariff policy permitting the U. S. government to enter into trade promotional agreements with other nations, based upon mutual tariff concessions.

* * *

IN SUPPORT of the idea it is pointed out that the best example of the influence of foreign trade on United States prosperity is the automobile industry. One economist has recently pointed out that the gain in sales in that industry since 1923 was due to export sales.

Following the latest tariff revision upward foreign countries followed suit, and the American automobile was the chief sufferer. Many Americans who do not realize the cause are out of work today because of the foreign tariffs on American automobiles. The number of motor vehicles sold outside the United States last year was 672,917 less than in 1929. Even so, sales of American motor vehicles in 1931 equalled new car and truck sales to the combined states of Maine, Vermont, New Hampshire, Nevada, New Mexico, Wyoming, Arizona, Idaho, Utah, North Dakota, Montana, South Dakota, Mississippi, Arkansas, Oregon, South Carolina, Alabama, Louisiana, Colorado, West Virginia, Washington and Tennessee. Business worth saving, it is contended.

But think of the unemployment and loss of parts business represented by the 672,917 cars not sold in export last year, say sponsors of the plan.

* * *

THOSE RUSSIAN THREATS

RUSSIA was frightening the wits out of business men not much more than a year ago. Presses were pouring forth books on the five-year plan and the menace it presented to the capitalist world. There is less worry about Russia now. Even the Soviet system is not depression-proof. Somehow the five-year plan isn't moving as fast as the tourists who came home to lecture on Russia would have had us believe.

One of the best books on Russia a year ago was "The Red Menace," by H. R. Knickerbocker. Knickerbocker's articles were published in hundreds of papers on this continent. Speaking of the Stalingrad tractor factory he quoted Ivanoff, president of the plant, as prophesying capacity production of 12,500 tractors per month by July of last year. This would have been 150,000 tractors a year. The Amtorg Trading Corporation, in New York, has just published a radio despatch concerning production at the Stalingrad tractor plant which indicates a production of 130 machines daily in the third week in February, the peak so far reached. This is about one-third the production that Ivanoff promised for last July.

An interesting thing in the radio despatch is that the plant is stated to have a production capacity of 30,000 tractors annually. This is quite a difference from the 150,000 tractors annually which the Soviet officials spoke of last year.

Similar reports regarding other industries are received. Russia is making progress in its industrial programme but it is at great cost. Russia continues to dump goods at any price in world markets in order to build up foreign credits. Countries that have not shown themselves favorable to the dumping of Russian goods, such as the United States and Canada, are no longer receiving any substantial proportion of orders for material. Germany, which extended credit to Russia, is getting a substantial portion of present business.

Other People's Views

The Pattern of Depression

New York Times.—As measured by reliable index numbers, the business depression of 1930-1931 has become noteworthy in two respects—its severity and its long duration. At the end of 1930 the weekly business index was already at the lowest level of the entire post-war period, but notwithstanding that fact it kept on declining, with only two upturns of any consequence, to the end of the year, when it stood at about 62 per cent of estimated normal. With respect to duration the present depression, measured by the length of time the business index has ranged below estimated normal, has now lasted twenty-five months, as compared with a total duration of thirty-one months for the 1883-1886 depression, of twenty-five months for the 1893-1895 depression, of twenty-one months for the 1920-1922 depression and of twenty months for the 1907-1909 depression.

If it were assumed, as was apparently assumed by Colonel Leonard Ayres in his address before the American Economic and Statistical Associations at Washington last week, that the present depression will follow the normal pattern (i.e., that it takes business longer to recover from its lowest point to normal than it takes to reach the low point on the preceding decline), it would appear, as pointed out by Colonel Ayres, that we are not yet half way through the period of decline and recovery to normal if December, 1931, should turn out to have been the low point.

But it is by no means certain that the present depression will follow the normal pattern on the upswing any more than it has followed it on the downswing. The reason that the downswing has lasted as long as it has lies, in the opinion of many economists, at least partly in the attempts which were made to stimulate recovery at various times in 1930 and 1931 in the face of powerful forces which were bringing about deflation.

"Stop Me If You've Heard This One"

A passenger on the limited, looking under his berth in the morning, found one black shoe and one tan. He called the porter's attention to the error.

The porter scratched his head in bewilderment.

"Well, ef dat don't beat all," he said. "Dat's de second time dis mawnin' dat mistake's happened."

Security Review

Frequent changes in business and financial conditions make a regular review of even the most carefully selected investment list advisable.

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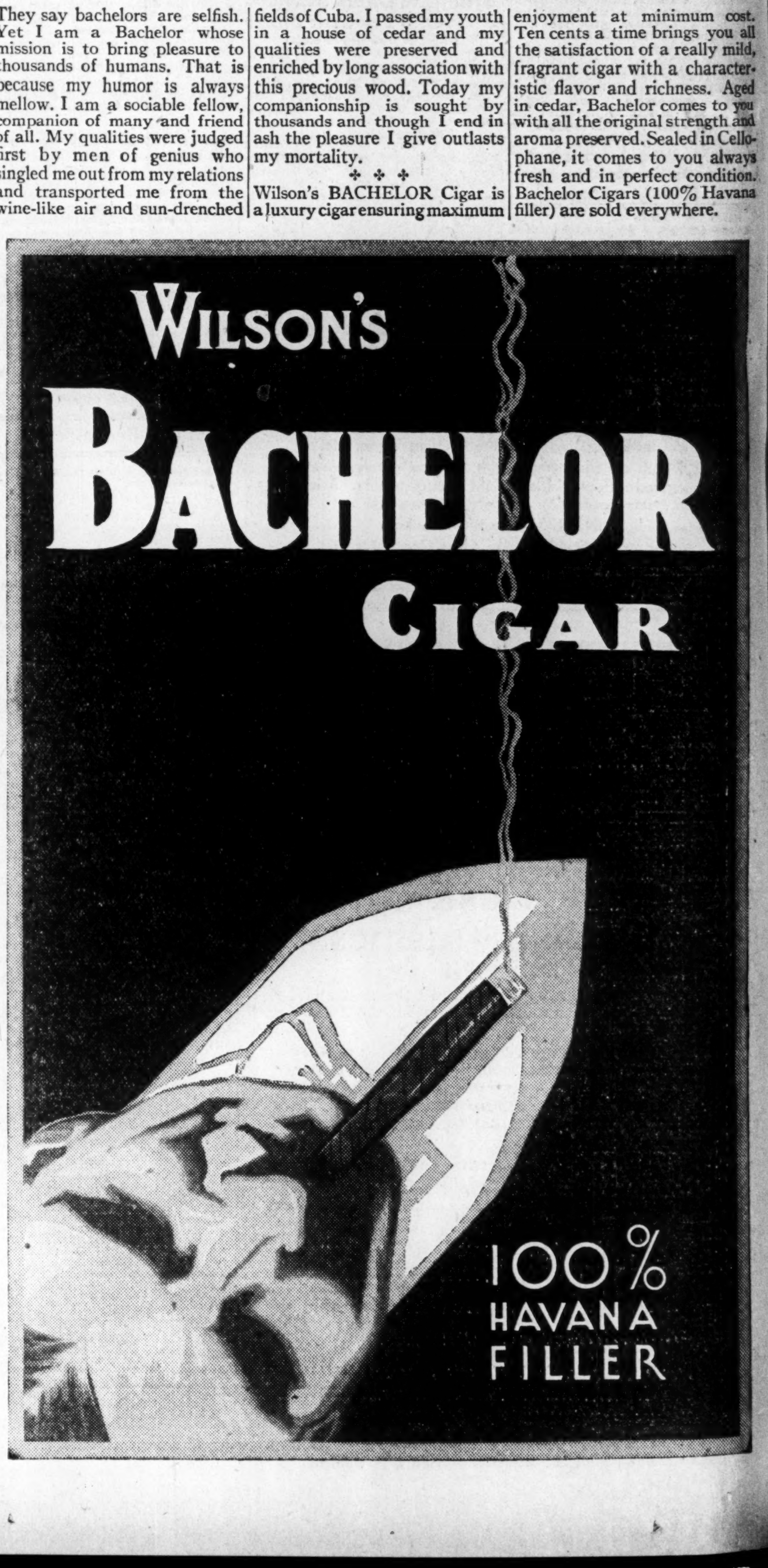
I am a Sociable Fellow

They say bachelors are selfish. Yet I am a Bachelor whose mission is to bring pleasure to thousands of humans. That is because my humor is always mellow. I am a sociable fellow, companion of many and friend of all. My qualities were judged first by men of genius who singled me out from my relations and transported me from the wine-like air and sun-drenched fields of Cuba. I passed my youth in a house of cedar and my qualities were preserved and enriched by long association with this precious wood. Today my companionship is sought by thousands and though I end in ash the pleasure I give outlasts my mortality.

* * *

Wilson's BACHELOR Cigar is a luxury cigar ensuring maximum enjoyment at minimum cost. Ten cents a time brings you all the satisfaction of a really mild, fragrant cigar with a characteristic flavor and richness. Aged in cedar, Bachelor comes to you with all the original strength and aroma preserved. Sealed in Cellophane, it comes to you always fresh and in perfect condition. Bachelor Cigars (100% Havana filler) are sold everywhere.



The Week in Business

"Invisibles" of Business Recovery Strong

U. S. Commentators More Confident

Canadian Picture Also Brighter

IN SPITE of foreign unsettlement resulting from the Kreuger suicide, business sentiment on this continent and in Great Britain continues to reflect what might be aptly termed the "invisible" factors of returning prosperity. This means that despite little tangible statistical data, business seems once more heading in the right direction there has been a distinctly different and more optimistic attitude in financial and business circles in the past few weeks based largely on the belief that the fundamental factors are gradually righting themselves and that if this is true the more obvious signs of business recovery will not be long in responding.

About the only "visibles" of improvement are the spectacular rise in sterling which Moody aptly describes as "showing the first flow in a year, of capital to a foreign country for a motive of profit rather than fear"—and the recent strength in bond prices on this continent and in Great Britain. Most commentators believe this to be a definite harbinger of returning business recovery although Moody thinks that having done its part in the last few weeks, any further rise will be dependent on recovery of business itself. In the opinion of this authority a spring revival of business is not yet at all certain.

* * *

OTHER United States sources are more hopeful as for instance, Leonard P. Ayres of the Cleveland Trust who says in his March letter:

> "Business conditions are genuinely better in March than they were in December, or January, or February, despite the fact that business activity is not greater now than it was then. The improvement is in the fundamentals rather than on the surface. It is present in fact, even although it is to but slight degree reflected in the figures.
>
> "In recent weeks there has been a long series of developments that are either directly conducive to business improvement or are safeguards against continued decline."

* * *

IN CANADA, preliminary figures compiled for The Financial Post index of business for February reveal a gain for nine out of 15 factors and although the index after seasonal adjustment was fractionally lower, here again we find an evidence that the "invisibles" are improving and that conditions have bettered even though the actual volume of business turnover may not be greater than at the first of the year.

Certainly prospects for increased foreign trade continue to improve particularly within the Empire while the steady flow of small, new industries to this country in the way of branch plants is helping in considerable measure to take up the unemployment slack among skilled working trades. It is also encouraging that Algoma Steel reopened its rail mill this week after a long period of inactivity and that at least a few months business is in prospect there.

LOW FOOD PRICES FORCE INDEX DOWN

Lower prices for foods were mainly responsible for a decline in the index number of retail prices, rents and cost of services from 85.6 in January to 84.6 in February, as compiled by the Dominion Bureau of Statistics. The 100 base is the average for 1926.

For 46 food items the index fell from 69.6 to 66.5, the most important change being a drop in the price of fresh eggs from 41.8 to 29.7 cents, and of cooking and storage eggs from 32.6 to 22.7 cents per dozen.

Business Conditions in Canada

320-ACRE FARM GIVES NO PROFIT WITH $1 WHEAT

House of Commons Hears Detailed Accounting of Prairie Farm

What does it profit a man to farm a half section in Western Canada?

H. A. Mullins, member in the federal house for Marquette, Sask., took three pages of Hansard a week or so ago to tell the House of Commons what his experiences are in this respect and his presentation of investment account, and profit and loss, is of interest to those who have tried to get a satisfactory profit and loss picture from an agriculturist. Mr. Mullins admits his figures may be open to criticism but submits them for what they are worth.

Of the total 320 acres, 170 are devoted to wheat or other equivalent crop; 80 to summer fallow to keep the land clean; 50 for grain and feed for horses, cattle and hogs, and 20 for buildings, yards, lanes and so forth. Total investment in land at $20 an acre amounts therefore to $6,400.

Binder Best Implement

Investment in buildings comprises $1,500 for a medium-sized house; $1,500 for a barn and stable sufficient for horses and cattle; other buildings, sheds and so forth, $1,000 and well and pump, $100. These figures added to investment in land make a total of $10,500, to which is added $2,500 invested in implements including an 8-foot, 4-horse binder which is the most expensive individual item and put in at cost at $250.

Horses, cattle, hogs and poultry comprise an additional investment of $2,000, the chief item here being 9 horses (8 working and 1 driver) at $150 each and 5 good grade milker cows at $50 each. Recapitulation brings the total investment in land buildings, implements and equipment to $15,000.

Now we come to revenue.

From the 80 acres of last year's summer fallow the yield (over seed) is estimated at 20 bushels to the acre, or 1,160 bushels. From the 80 acres of first year stubble, 17 bushels per acre over seed. From the 10 acres of second year stubble, 14 bushels per acre over seed, making a grand total yield of 3,100 bushels which at $1 a bushel returns a revenue of $3,100 less 20 cents per bushel for cost of threshing, elevator charges, etc., or a net revenue of $2,480.

Mr. Mullins uses the figure of $1 per bushel because he looks for wheat to come back to that price this year. He also notes that in addition to sale of grain there will be surplus proceeds from the sale of cows, hogs, poultry, etc., in excess of table requirements, but he does not believe such sales will be in excess of necessary purchases of flour, teas, fresh meats in season and other groceries for the board of the owner, his wife and hired help.

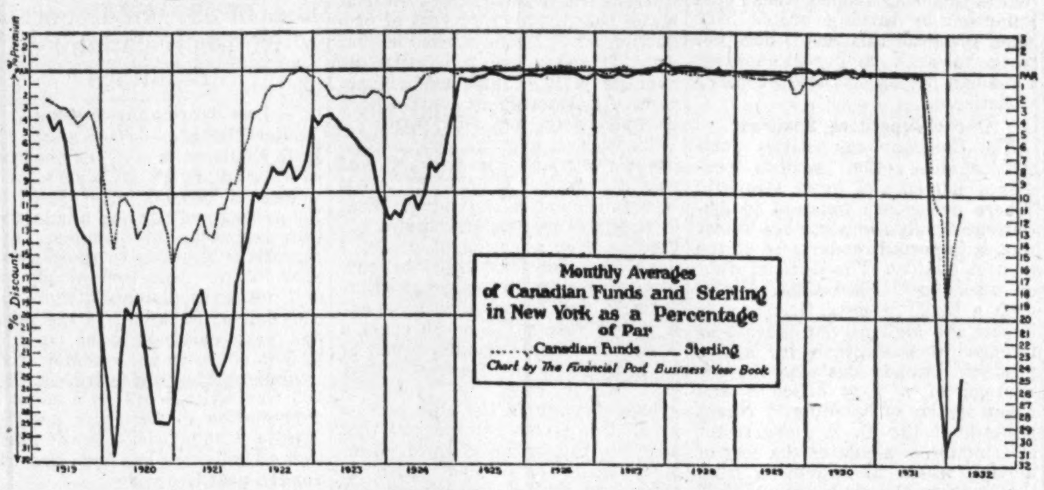
Plenty of Deductions

Now come the deductions.

First there is the cost of hired help taken in at $390 which includes 1 farm hand for 7 months at $45 per month and board and 1 extra hand at harvest who is slated to cost $75 including board. Depreciation and maintenance cost $590 and include painting and repairs on buildings and depreciation on $4,000 at 5 per cent; depreciation on farm implements at 10 per cent and depreciation on other equipment at 7 per cent. Taxes and sundries take away another $450.

The final reckoning reveals that total operating expense amounts to $1,430 leaving a balance of net earnings for the services of the the owner and his wife of $1,050. This is before allowing anything for interest on invested capital, which if it is calculated at 7 per cent leaves nothing for the services of the owner and his wife.

Sterling Recovers and Dollar Follows in its Wake



Canadian pulp and paper plants and gold mining companies don't like it but every one else seems glad to see exchange righting itself again in terms of the American dollar. Here is the statistical picture over the past thirteen years or since Britain removed the peg in 1919. The correlation between the British pound and the Canadian dollar seems to be very high.

Dominion Goes "Urban" During Post-War Decade

Over Half Dominion Population Now Live in Cities, Towns or Villages—British Columbia Shows Biggest Change

Canada has "gone urban" during the past decade, according to a special report on the distribution of population in the Dominion, issued by the census division of the Dominion Bureau of Statistics.

Ten years ago for every 10,000 citizens of Canada, 5,050 or 50.5 per cent lived on the farm or far enough away from municipalities to be classified as "rural" in the census returns. Today, the balance has swung in favor of the town and for every 10,000 citizens who comprised the 1931 census, only 4,630 are classified as rural, the remainder or 53.7 per cent being now "urban" dwellers.

Three Urban Provinces

All but three provinces, however, still retain a majority of rural dwellers, the exceptions being Ontario, Quebec and British Columbia where over 50 per cent of the people live "urban." Quebec and Ontario were both preponderantly urban ten years ago but British Columbia has swung sharply into the urban column in the past ten years. Taken all in all, urban population has increased by 1,219,936 while the rural populace shows only 366,311 gain.

The only relative gain from the rural point of view during the decade was in New Brunswick. A year ago, 67.9 per cent of the population of this province were "rural," while at the end of 1931 68.4 per cent, or 279,279 citizens placed themselves in this category, for a net rural gain of 15,847. The other two maritime provinces both showed net losses in their rural population which dropped 15,607 during the decade in the case of Nova Scotia and 1,869 in the case of Prince Edward Island. In all other provinces there were more people living "rural" in June, 1931, than in June, 1930, even though the relative gain was in favor of the town.

Urban Gains 28 Per Cent

The percentage increase of urban dwellers for the decade was 28 per cent while the gain for rural folk on a similar basis was only 7.6 per cent.

A detailed analysis of the rural-urban census returns is as follows:

	Total, 1931	Change from 1921	% of total 1931	1921
(1) Urban Population				
P. E. I. ..	20,385	+1,292	23.1	21.5
N. S.	231,654	+4,616	45.2	43.3
N. B.	128,940	+4,496	31.6	32.1
Que.	1,813,606	+491,037	63.1	56.0
Ont.	2,095,992	+389,360	61.1	58.2
Man.	315,969	+54,353	45.1	42.9
Sask.	290,905	+71,947	31.6	28.9
Alta.	278,508	+55,604	38.1	37.9
B. C.	394,739	+147,177	56.9	47.1
Yukon ...	1,360	+55	32.1	31.4
Canada ..	5,572,058	+1,219,936	53.7	49.5
(2) Rural Population				
P. E I. ..	67,653	—1,869	76.8	78.4
N. S.	281,192	—15,607	54.8	56.7
N B.	279,279	+15,847	68.4	67.9
Que.	1,060,649	+22,553	36.9	44.0
Ont.	1,335,691	+108,661	38.9	41.8
Man.	384,170	+35,668	54.9	57.1
Sask.	630,880	+92,328	68.4	71.1
Alta.	453,097	+87,547	61.9	62.1
B. C.	299,524	+22,504	43.2	52.8
Yukon ...	2,870	+19	67.8	68.6
Canada ..	4,802,138	+366,311	46.3	50.5

Revenue Stamps Yield $518,400 per Month

Sale of revenue stamps for the eight months period from July 1, 1931—when the new two-cent rate for cheques became effective — to January 31 last, amounted to a total of $4,147,199, according to a statement made in the federal house recently by Arthur Sauvé, postmaster-general. For the fiscal year ending March 31, 1931, the income from this source amounted to $6,156,313.

Comparison of the average revenue per month in the two periods shows an increase since July 1, 1931, the average being $518,400 compared with $513,026 for the preceding fiscal year. Since revenue stamps are used for purposes other than the cheque tax the source of this improvement cannot be allocated. The fact that ordinary two-cent postage stamps are permissible on cheques makes it impossible to determine the bearing of the above figures upon the number of cheques issued.

Canada's Trade in 1931 Lowest Value Since 1915

Drop in Dollar Volume, However, Was to Considerable Degree Due to Lower World-Prices of Commodities — Duty Ratio Higher

Final official figures of total foreign trade for 1931 reveal that Canada's volume was the lowest since 1915, and that the Dominion, together with the United States, suffered more from the world-wide depression than the chief countries of Europe, excepting Germany and Spain, according to the Dominion Bureau of Statistics.

Canada's total foreign trade for the calendar year amounted to $1,245,341,000 compared with $1,913,939,000 in 1930 and over 2½ billion dollars in each of the two preceding years. (In considering volume as represented by dollar value the drop in commodity prices must be borne in mind.) The 1915 figure was $1,104,373,000, while for 1921 and 1922— the two next lowest years in the seventeen—the totals were $1,616,000,000 and $1,661,000,000 respectively. The highest volume was reached in 1920 with $2,639,726,000.

Exports and imports at $617,243 and $628,098,000 respectively, also are the lowest figures since 1915, though comparison with that year shows that while exports are about 36 million dollars lower, imports are over 177 million dollars higher. Thus, a glance at the figures for the 17-year period reveals that imports have not only caught up to exports but have overtaken them in dollar volume. It is satisfactory to note, however, that reduced exports in the last two years have been as well balanced by a reduction in imports as they have.

For 1931 there was an unfavorable trade balance of something under $11,000,000 compared with one of $103,000,000 in 1930. The improvement was especially marked during the last half of the calendar year 1931, this having always been the case with regard to Canada's trade balance with grain-buying countries owing to heavy wheat exports during the fall months.

The trade balance with the United Kingdom has been consistently favorable to Canada since 1889. In 1931 it was favorable to the extent of $63,000,000 compared with $97,000,000 in 1929 and $74,000,000 in 1930. Compared with 1929, the 1931 balance was less favorable by $34,000,000, and compared with 1930, by $10,900,00.

Comparison of figures for duty collected shows that whereas in 1920—the year of heaviest imports of the seventeen under review—the revenue was $203,029,000 and in 1931 was $120,097,000, the percenttage last year was 19.12 per cent as against 15.19 per cent eleven years earlier. In 1929 the percentage was 15.93 and in 1930 16 per cent.

Following table gives Canada's imports, exports and duty collected since 1915:

Trade of Canada
(000's omitted)

Calendar years	Total imports $	Total exports $	Duty collected $
1915	450,885	653,488	91,908
1916	767,377	1,112,445	139,002
1917	1,006,031	1,593,496	167,041
1918	910,149	1,243,730	154,849
1919	941,014	1,294,830	168,921
1920	1,336,921	1,302,805	203,029
1921	799,478	816,694	117,693
1922	762,409	898,178	132,172
1923	903,031	1,028,529	136,065
1924	808,145	1,070,612	123,163
1925	890,193	1,283,099	137,858
1926	1,008,342	1,288,939	155,166
1927	1,087,118	1,238,924	168,303
1928	1,222,318	1,374,246	192,266
1929	1,298,992	1,208,338	206,950
1930	1,008,479	905,460	161,395
1931	628,098	617,243	120,097

Reduction of imports from and exports to British Empire countries during the past year has been much less marked than those to foreign lands. The decrease of British imports in 1931 was 75¾ million dollars to $152,100,000, while foreign imports dropped nearly 305 millions to $476,000,000. Similarly, exports to the Empire decreased about 95¾ million dollars to $220,600,000 and exports to foreign countries declined over 184¾ millions to $384,750,000.

In international trade, Canada in 1930 occupied fifth position, but when world statistics are available for 1931, it is anticipated that this place will be yielded to the Netherlands, Canada dropping back to sixth position.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car Loadings (Mar. 5)	42,262	47,759	369,098	412,436
C.P.R. gross earn. (Mar. 7)	$2,377,000	$2,820,000	$20,219,000	$25,216,000
C.N.R. gross earn. (Mar. 7)	$2,736,592	$3,354,791	$24,689,318	$30,525,948
	Monthly			
C.P.R. net earn. (Jan.)	$649,939	$874,502	......	......
C.N.R. net earn. (Jan.)	$‡588,122	$‡511,928	......	......
ron and Steel—				
Pig iron, tons (Jan.)	10,305	35,592	......	......
Steel, tons (Jan.)	25,060	57,598	......	......
Automobiles prod. No. (Jan.)	3,731	6,496	......	......
" exports, No. (Jan.)	548	3,054	......	......
Construction—				
Building Permits (Jan.)	$2,761,929	$8,401,456	......	......
Contracts (Feb.)	$14,802,600	$25,930,100	$27,540,900	$46,229,200
Newsprint—				
Production, tons (Jan.)	171,321	188,073	......	......
Exports, tons (Jan.)	172,913	153,362	......	......
Sugar—				
Imports, raw, lbs. (Jan.) ..	11,985,700	23,116,800	......	......
Manufactured, lbs.*	27,891,289	27,183,827	......	......
Flour—				
Production, bbls. (Jan.)	851,192	1,086,272	......	......
Wheat flour exp., bbls. (Feb.)	337,513	414,773	669,319	807,029
Other Industrial Indices—				
Lumbering: Plank & board exports mill. ft. (Jan.) ...	53.84	57.11	......	......
Boots & shoes, pr. (Jan.) ..	1,112,192	984,924	......	......
Petroleum, imp crude, gal. (Jan. '32)	72,728,643	58,974,995	......	......
Cotton, imp., raw, lbs. (Dec. '31)	12,224,000	12,343,000	95,597,602	100,483,000
Rubber, raw, imp, lbs. (Jan.)	3,911,406	3,828,530	......	......
Coal, imports, tons (Jan.) ..	629,633	792,826	......	......
Trade—				
Imports (Jan.)	$34,114,507	$50,368,318	......	......
Exports (Jan.)	$38,366,699	$44,617,883	......	......
Wheat exports, bus. (Feb.) ..	9,898,363	10,296,603	19,370,709	19,905,455
Labor—				
Employment Index (Feb.) ..	89.7	100.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Dec. '31)	1,432,182	1,542,308	16,383,398	17,862,729
Finance—				
Failures, No (Dec.)	196	239	2,216	2,402
Failures, Liabilities (Dec.) .	$2,957,235	$4,202,599	$52,552,900	$48,164,065
Bank Debits (Jan.)†	$2,071,034	$2,668,325	......	......
Bond sales (Jan.)	$45,917,086	$120,349,621	......	......
Insurance sales (Jan.)	$37,331,000	$41,188,000	......	......
Automobile Financing:				
Used cars (Jan.)	$801,629	$1,287,404	......	......
New cars (Jan.)	$629,714	$909,514	......	......

*Jan. 1 to Jan. 30.
†(000's omitted).
‡Deficit.

Business Briefs

Average Value of the pound sterling declared by the Department of National Revenue for special duty purposes is $3.99, effective for entries during the period March 16 to 31, inclusive.

Wheat Export for the week ended March 4, totalled 2,531,789 bushels, which is an increase of 368,572 bushels over the previous week. Saint John and the United States Atlantic Seaboard ports made the gain. The port shipments were: Saint John 369,443, Vancouver 1,148,346, U. S. Atlantic Seaboard Ports 1,014,000. During the corresponding week of 1931 the wheat movement abroad was 2,978,068 bushels.

Car loadings during week ending March 5 were 1,183 less than previous week at 42,262, this being 11.5 per cent below same week of 1931. Index number of merchandise l.c.l. rose from 88.05 to 88.37, 13,708 cars comparing with 13,052 for the previous week. Total loadings for year to date at 369,093 cars are 10.5 per cent below those for corresponding period last year.

Wheat stocks on March 4 totalled 184,730,263 bus. compared with 186,919,578 bus. the week before. This is about 3 million bushels lower than at the same date 1931. Export shipments slightly exceeded those of previous week, totalling 2,531,789 bus., but were 447,000 bus. below corresponding week last year. Exports via U. S. ports were higher than the previous week.

Canadians Emigrating to the United States during January numbered 453 as compared with 498 in December and a total of 5,296 for the final six months of 1931. Immigrants to Canada from the U. S. numbered 119, this comparing with 156 in December and a six months total of 970.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

B. C. Electric Railway Co. is erecting an $850,000 gas plant at Vancouver.

Pressure Pipe Co. of Canada is erecting a $75,000 plant to manufacture high pressure reinforced concrete pipe of the Bonna type at Vancouver, to line the tunnel now being constructed under the First Narrows of Burrard Inlet to convey Vancouver's water supply from the head waters of Seymour Creek to Vancouver consumers.

F. W. Jones & Son of Bedford, P.Q., have opened a branch warehouse at 69 Woolwich St., Guelph, Ont. G. L. Jarvis is manager. The company manufactures beekeepers' supplies.

Joseph Elie, Ltd. will construct a $1,000,000 oil refinery in Montreal East. Property has already been purchased close to the refineries of B. A. Oil Co.

Nielco System Inc. of Detroit has incorporated a Canadian subsidiary to manufacture at Sarnia a new machine for washing houses, hospitals, ships and so forth. The machine sells for approximately $1,000, is driven by either gas engine or electricity and is said to be able to completely wash the painted interior or exterior of a frame, stucco or stone building in a very short time.

Hamlin Engraving Co., a new Windsor firm now installing machinery on 2,000 feet floor space at 27 Chatham St. W., at Windsor, to carry on in Canada business of steel and copper plate engraving, embossing, monograms, etc., according to Justus Miller of the Border Cities Chamber of Commerce. The principals of the firm are George H. Hamlin and Walter G. Hamlin of Cleveland.

Wallace & Tiernan Ltd. — Have leased factory space on Sorauren Ave., Toronto, to manufacture flour-milling and water-purification equipment. This company is a newly-formed Canadian subsidiary of a United States company by the same name. Operations are scheduled to start April 1.

Long Manufacturing Co.—Manufacturers of automobile radiators and clutches and plating and automobile hardware has leased all the old Canada Lamp and Stamping Co. factory at East Windsor and will manufacture in Canada products formerly produced at the company's head office in Detroit. P. H. Chapman formerly assistant service manager in Detroit has been appointed manager of the Canadian company. Production is expected to be under way early in April.

W. G. Shelton Co. has leased 6,000 feet of floor space in the Superior Engraving Bldg., Mary St., Hamilton, to manufacture permanent waving equipment formerly imported into Canada from the parent company of the same name at St. Louis. Herman Jacobi has been appointed manager of the local plant, which will employ from 35 to 50 men.

John Duff & Sons of Hamilton announce the opening of a new $150,000 packing plant facing Brant St. in that city. The new plant contains 35,000 sq. ft. floor space and is 3-story structure.

Oxzyn Co. Inc.—Head Office, New York, has established a plant at Windsor, Ont., for the manufacture of cosmetics.

Western Fur Dressers & Dyers have opened a new Winnipeg plant. This is the second fur dressing industry to be established in Manitoba, the entire Western field having been served for some years by a single plant.

Essex Wire Corp.—Has leased a plant on Hanna St., Windsor, Ont., formerly occupied by Graham-Paige wholesale department, to manufacture insulated copper wire of all kinds. From 50 to 60 persons will be employed and production will begin within two weeks according to A. E. Holton, president of the parent company at Detroit. L. C. Bookout will be Canadian manager.

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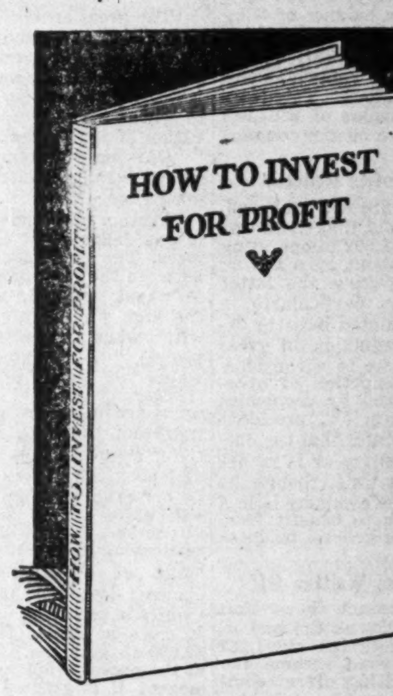
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NEON ADVERTISING COVERED CHARGES FOR PAST YEAR

Further Write Offs Made from Promotion Expenses

From Our Own Correspondent

MONTREAL.—Earnings of Claude Neon General Advertising in 1931, after depreciation, amounted to $464,483, compared with $667,748, in the previous year. After the transfer of $95,236 to reserve for interest, and deduction of interest charges, net profits available for preferred dividends were $188,395 compared with $485,907 in 1930.

After payment of preferred dividends, there was a balance of $30,194 carried to surplus account, before income tax for 1931, or the equivalent of seven cents a share on the common stock. This contrasted with a surplus of $364,640 or 86 cents a share on the common reported in 1930.

Operating Profits Reduced

Though details are not published, the report points out that there was a reduction of $298,502 in operating profits, brought about by a falling off in business during the latter part of the year, particularly in the poster and painted bulletin department. The reduction in gross earnings was offset to a considerable extent by reduction of operating expenses, and by economies effected. S. Godin, Jr., president of the company, states that the outlook for the present year is rather uncertain at this time, though he points out that the company is in a preferred position to benefit from any betterment in general business conditions.

Stock Expenses Written Off

The income account shows that surplus of $980,088 at the end of 1930, was reduced to $804,167 through deduction of income tax paid, and the writing off of commissions on preferred stock sold

Balance carried forward into the current year, subject to income tax for 1931, was $834,262.

Following are details of profit and loss for the past two years:

	1931 $	1930 $
Net earnings	578,456	*667,748
Less: Depreciation	113,974	......
Trans. to reserve	95,236	......
Bond interest	151,142	139,744
Other interest	29,709	42,097
Net profit	188,395	485,907
Less: Preferred divds.	134,176	68,011
Ruddy pfd. divd.	24,025	44,055
Asch pfd. divd.	......	9,201
Surplus for year	30,194	364,640
Add: Prev. surplus	‡804,167	822,777
Less: Bond discount	......	196,087
Bond issue exp.	......	5,944
Organization exp.	......	5,298
Balance forward†	834,361	980,088

*After depreciation.

‡After 1930 income tax and w/o commission on preferred stock sold

†Subject to income tax.

Working Capital Stronger

Working capital position was improved amounting to $2,067,454 compared with $1,501,819 at the end of 1930. At the end of last year current assets were $2,682,150 against current liabilities of $614,696. The improvement is largely due to a reduction in bank loans.

Accounts receivable are shown at $2,354,795 compared with $2,314,963 in 1930. Both these figures include a reserve for bad debts, and in the 1931 report a reserve of $533,054 for maintenance and service against long term contracts is included. Investments in and advances to affiliated and other companies are slightly higher at $388,605 and poster panels, electric signs, goodwill and patents have been reduced by $102,000 to $4,986,916.

Bank Loans Reduced

Bank loans are lower by $462,000 at $355,229, and reserve for interest and contingencies is higher by $62,000 at $464,274. A previous reserve for maintenance and service of $408,716 has been increased to $533,054 but this year is not shown in liabilities, having been deducted from accounts receivable on the asset side of the ledger.

In capital structure, Claude Neon 6½ per cent bonds are unchanged at $1,614,000 but first mortgage bonds of E. L. Ruddy Co. have been reduced by $17,500 to $702,500. During the year there was issued 10,069 additional preferred shares of Claude Neon, bringing the total outstanding to $2,361,547. There were also issued in 1931 62 shares of common stock, bringing the total outstanding up to 424,522, which are carried at $2,122,610.

LOWER EARNINGS SHOWN LAST YEAR BY COOKSVILLE CO.

Profits Sufficient to Cover Needs of Preferred Shares

From Our Own Correspondent

MONTREAL. — Earnings of Cooksville Co. in 1931, after income tax, were $135,463 compared with $218,637 in 1930. After deduction of interest charges and provision for a lesser amount of depreciation, net profits were $36,479 compared with $86,969.

Profits were equal to $9.13 a share on the 7 per cent preferred stock. The usual disbursement of 4 per cent was paid during the year but has since been suspended. Surplus was increased by $26,479 to $761,650.

Profit and Loss Account

Following is a comparison of profit and loss for the past three years:

	1931 $	1930 $	1929 $
*Oper. prof.	135,463	218,637	†310,178
Int. on loans	48,983	51,667	......
Balance	86,479	166,969	310,178
Deprec.	50,000	80,000	116,851
Net profit	36,479	86,969	193,326
Pfd. div.	16,000	16,000	16,000
Surplus	26,479	70,969	177,326
Prev. bal.	741,171	670,201	492,874
P. & L. bal.	761,650	741,170	670,200

*After provision for income tax.

†After interest on loans

Bank Loans Reduced

Owing to a reduction in bank loans, excess of current liabilities over current assets has been slightly reduced totalling $305,044 at the end of 1931 compared with $353,664 at the end of the previous year. Current liabilities at the end of last year were $842,793 against current assets of $537,749.

The balance sheet shows loans from the banks and directors at $626,500 compared with $692,000 at the end of 1930, and a mortgage on the property of Port Credit Brick has been reduced from $103,790 to $97,790.

Canada Will Remain Large Wheat Exporter

Our Farmers Can Continue to Meet World — Competitive Position Strong and Quality is Highly Rated

By D. A. MacGIBBON

This is the last of three articles on Canada's future in wheat export, based upon a recent address delivered by Dr. MacGibbon to the Royal Canadian Institute, Toronto. Dr. MacGibbon was formerly professor of political economy at the University of Alberta and is now a member of the Board of Grain Commissioners for Canada.

The great central plain of Saskatchewan is devoted to wheat farming and the area extends through into Alberta. But at the present time much wheat is grown in what is designated on the maps as mixed farming area. On the other hand within the wheat area, dairy farming is encroaching at certain points. A large part of the area now devoted to wheat farming seems likely to continue to remain under the cultivation of that cereal. There is no reasonable alternative.

Our high protein wheat is wanted by the foreign miller for its strengthening qualities when mixed with inferior wheat to produce good flour.

Protein maps have been prepared based on tests of wheat made as it was delivered at country elevator points throughout the three provinces. The significant thing they show is the very close correspondence between the high protein area in Western Canada and the areas classed as wheat lands. In a general way the high protein area corresponds with what westerners call the prairie. Some areas producing wheat of good protein content represent park land country; other areas producing low protein wheats represent the bush lands. Everything suggests that the park land and bush land areas will cease to do one-crop farming, indeed, much will move out of wheat farming altogether. This will occur as the settlements pass out of the pioneer stage of development. Such a change does not take place instantly in the midst of a depression. It costs a farmer from $1,000 to $2,000 to make such a change and at the present time he has not that money. It is gradual process coming rather in response to obtaining low grades for wheat, having the wheat frozen before cutting or having to market it as tough, damp or sprouted, leading to the perception that greater security lies in cultivating other grains, building up herds and feeding stock.

Will Stay in Wheat

But most of the large area that now yields high protein wheat will, I think, continue to cultivate that cereal. Adjustments may be required in the methods of cultivation. Larger farms may have to replace smaller farms. Thus I understand that in North Dakota when a disastrous drought occurred some years ago in one part of that state a large number of settlers moved out of the district affected. But a tenacious group held on confident the country would return. A great many of these who stayed obtained in time control of the land left vacant by those who had departed. They thus built up a unit of farm land large enough to give them a good measure of prosperity and an ability to stick without too much suffering in bad years. We know that there has been a trek out of southwestern Saskatchewan to the north. But the number who have gone is not as large as many reports would suggest. It is quite possible that those who remain will build up stable economic units of production.

Some hold that there is an area running down to the United States boundary along the Alberta-Saskatchewan line which should never have been taken out of ranching. But it is not easy to turn this land back to range. The soil has been broken, weeds have come, the native grasses are not there. There is a real danger that part of this area might go out of use altogether. The interesting suggestion has been that in this section there might be tried the experiment of farming on the large scale and under the methods made familiar by the Soviet farms. This method does not belong alone to Russia but has been tried with some success in Texas in lands with sub-normal rainfall. Others believe larger farm units sufficient to meet this situation.

Export 40 Per Cent of World Needs

Between 1924-28 Canada on the average exported 262 million bushels of wheat, or roughly two-fifths of the supplies required by deficit countries. I think the rapidity with which the lands suitable for agriculture, that remain to be opened up, are settled will largely determine whether Canada will ever substantially better on the average this record. If, as the Saskatchewan Commission on Immigration suggests, new lands are exploited very slowly then the lapse of time will give the slowly moving trend into mixed farming in the park lands and bush land belts time to exert its influence in curtailing wheat production and the balance of conditions will leave little room for increased surpluses in wheat. On the other hand relatively high prices for wheat, an influx of immigration and the active exploitation of the pioneer belt land might give us a new high in average wheat exports. Personally I do not expect much increase. On the other hand, I see no ground for believing that average exports of wheat will fall below 200 million bushels for many years to come. The late Professor Mavor, in his paper read at the British Association, in Winnipeg, 1909, estimated wheat for export at 232 million bushels. Even with this quantity wheat probably would continue to be our most important article of export.

Importance of Trade in Wheat

Before turning to the conditions of demand that favor a continuance of our export trade in wheat permit me to pause for a minute or two to emphasize the importance of our wheat exports to the welfare of Canada as a whole.

An enormous value was reached by our wheat exports in the years 1926-27-28 and -29. A tremendous fall has occurred since that date. I think this more than anything else tells the story of unemployment and of the financial conditions of Western Canada for the last two years. But the influence of this great loss in export trade goes far beyond the boundaries of the three prairie provinces. It helps to explain the discount on the Canadian dollar through lack of foreign credits, it has slowed the wheels of industry in the provinces of Ontario and Quebec, and it has reduced the carloadings of our two transcontinental lines.

Western difficulties are sometimes regarded as being purely sectional difficulties. Nothing could be farther than the truth. You cannot have eastern Canada prosperous and western Canada seriously depressed.

The value of our export trade in wheat is not only large in itself but also large relative to the total value of our exports. Wheat and flour exports account for over 20 per cent of the total value of our large exports of Canadian products. And there is a remarkable stability in this volume of export.

I now turn to the question of how Canada can hope to continue to sell in the markets of the world. This question may be broken up into two parts.

The first question is whether it appears probable that Great Britain, Japan, Italy, Belgium and other countries of dense population will ever cease to be food deficit countries. I think there can be only one answer to that question. Wheat is not going to disappear as an article of international commerce. And with respect to France, Italy and Germany a recent French writer points out that despite strenuous efforts to increase the amount of wheat produced in these countries the results have been really very disappointing.

While the supply of wheat has steadily increased during the last fifty years it has not on the whole kept so far ahead of demand to create serious difficulties. An exception to this general statement must be made, of course, for the years of 1927 and 1928 when two very large world crops were harvested in succession. Since the war the rise in production has been more steep than previous to 1914 and this does suggest that there has been some over-production. But it is very difficult to adjust wheat supplies exactly to wheat demands. The United States Year Book of Agriculture points out that the estimated world crop for 1931, while larger than the crop for 1929, was yet 320 million bushels less than the great crop of 1928—a difference equal to almost one-half the amount that enters into international commerce. It further estimates that during the crop year 1929-30 the world consumption of wheat exceeded production by 100 million bushels. With moderate yields per acre there has been already what should be a sufficient cut in acreage to correct the present situation. I do not think that there can be any doubt that our present excessive carryovers will disappear within a year or two.

Long Run Outlook

There remains the long run situation to consider. That is a matter of increasing population and per capita consumption. Let us consider population first. There is evidence to show that in some parts of Europe population is becoming stabilized. But stabilization is not yet a fact and population continues to increase. Even the recent French census shows a gain of 2,625,000 over the year 1921. Germany has today a population of approximately 64 million and German experts see a stabilized German population of 68,000,000 in the year 1945. We know that Italy is preaching the necessity of an increase in population. The latest general figures for Europe that I have seen are given by Professor Bowley of the University of London. They show that the population of Europe increased by 14,000,000 between 1910 and 1924. But in this connection an increase in population in the wheat exporting countries is just as significant as an increase in consuming countries for it cuts down available exports.

U. S. May Drop Out

Compared to the United States Canada exports 66 per cent of her wheat crop, as wheat and flour, the United States about 15 per cent. Despite the great increases of acreage in the United States the percentage of her exports continues to decline. Forty years ago with a much smaller crop the United States exported 30 per cent of its total. But in the last ten years alone the population of the United States has increased by 17 million. United States experts see the U. S. population stabilized in the next thirty or forty years with a population of 160,000,000 or 38,000,000 greater than it is today. On the present basis of production and consumption this would practically eliminate U. S. wheat exports. Professor Hoover's recent book on Russia states that the population of Russia between 1914 and 1927 increased from very slightly over 138 million to 150 million, and the Soviet in connection with the Five-year Plan estimate an increase of population during its development of 11.7 per cent. Now all these figures suggest that there will continue to be in the world an increased demand for food stuffs. They all suggest that no great and permanent reduction of world acreage for wheat is possible.

The per capita consumption of wheat ranges from four to seven bushels, according to national habits and customs. Undoubtedly the imposition of high tariffs against wheat, notably in Germany and certain other European States with a view to stimulating home production, has had some effect in cutting down wheat consumption. While this may reduce wheat consumption by turning people back upon rye even this factor does not work to such a degree against Canadian wheat as against other varieties.

Our Competitive Position

The Canadian competitive position against other nations possesses elements of great strength. Where duties are imposed to discourage foreign imports the wheat that is imported tends to be of the highest quality. The German duty on wheat is $1.62 bushel. Under such a tariff it pays Germany to import the high protein wheats of Canada to strengthen its native product. Canada has also the advantage of a very efficient and cheap system of handling. A recent bulletin of the U. S. Department of Commerce calculates the cost of moving wheat in Argentina from the farm to the seaboard at 31.77 cents per bushel. Canadian wheat is placed at the seaboard at approximately 30 cents per bushel. My information is that costs of transportation and handling are also very high in Russia.

The last factor I intend to mention is farm costs of production. The average price of No. 1 Northern wheat, basis in store Fort William, for the crop year 1930-31, was just about one-half of that for any preceding year back to 1923-4. World prices today are so low that no country is able to produce upon the present basis except with a harshly lowered standard of living. We read of bitter complaints from Argentina that present prices are unremunerative. This is equally true of the United States, Australia and Europe.

Most of the cost of production studies in Western Canada have been made before the present fall in prices and cannot be cited at the present time to show the cost of producing wheat. Dr. William Allen, professor of farm management of the University of Saskatchewan, has made a number of careful studies of wheat production in Saskatchewan. The latest of these to be published is that on the Swift Current-Gull Lake district. In it he states that the average cost of production for 96 farms studied in 1927 was 82 cents per bushel with an average yield of 22.9 bushels per acre. At Alameda in southeastern Saskatchewan, on 100 farms in 1926, with an average yield of 24.5 bushels per acre, the average cost was 59 cents per bushel. But these figures are only a beginning. What is required are similar studies extending over a period of years. I have, however, discussed the subject with a good many practical farmers and I find that they say if wheat rose to 75 or 80 cents a bushel they could make a profit at it. In fact at such a figure I believe that wheat could be profitably grown throughout the high protein area. I need not remind you that with the fall in the price of wheat wheat-lands have also fallen in value and that if wheat does not rise beyond 75 or 80 cents per bushel there may be heavy investment losses due to the fall in land values. But that is a different proposition entirely to one that asserts that the cultivation of wheat will be discontinued. Much of the present distress in Western Canada is due to the fact that it experienced a partial crop failure which coincided with a severe general depression. Canadian wheat is desired in the markets of the world; internal conditions of productions make it desirable that Western Canada should cultivate wheat within a large area. The cost of producing wheat in Western Canada can be put on such a basis that it will be profitable to sell if world wheat prices make even a very moderate advance upon present levels. Such an advance is as necessary to other wheat exporting countries as to Canada. As far as I can see into the future Western Canada will continue to have a very important export trade in wheat. And this trade is of the very greatest importance and significance to Canada as a whole.

LOWER FUR SALES AFFECT PROFITS OF HOLT, RENFREW

Loss of $89,082 Reported; No Depreciation For Buildings

From Our Own Correspondent

MONTREAL. — Operations of Holt Renfrew & Co., in the year ended January 31, 1932, resulted in a loss of $89,082 after provision for general selling and administration expenses; this compared with a profit of $134,864 in the previous year. After deduction of charges and preferred dividends, there was a deficit of $211,815; in the previous year earnings were equal to $2.50 a share on the common stock.

In the period under review, $10,203 was written off on account of depreciation of furniture and fixtures, but no provision for depreciation of buildings has been provided for the past two years.

Comparison of Income

Following are comparative figures of profit and loss for the past three years ended January 31.

	1931-32 $	1930-31 $	1929-30 $
Profits	†89,082	134,864	256,466
*Interest	39,252	39,876	42,860
Depreciation	10,203	......	52,851
Contingencies	3,278	......	......
Net profits	‡141,815	94,988	160,755
Pfd. divid.	70,000	70,000	70,000
Balance	‡211,815	24,988	90,755
Comm divid.	......	22,500	30,000
Surplus	‡211,815	2,488	60,755
Prev surplus	882,251	879,763	819,008
P. & L. bal.	670,436	882,251	879,763

†Loss from operations after deducting general selling and administration expenses.

‡Debit balance.

*For 1932, includes $5,052 in other interest apart from $31,200 bond interest; in 1931, other interest of $4,441; and $3,000 in each year of bond discount written off.

Working capital at $1,455,125, though slightly lower, still shows a strong liquid position with current assets of $1,484,950 against current liabilities of $29,825 or a ratio of 49 to 1. Working capital was $1,679,117 at the end of the previous year.

Balance sheet shows reduced inventories and accounts receivable; lower payables and the redemption of $20,000 or 6½ per cent first mortgage bonds, leaving $465,000 outstanding.

ROBERT MITCHELL SHARE EARNINGS 87 CENTS IN 1931

Small Deficit Reported After Payment of Dividends

From Our Own Correspondent

MONTREAL.—Net earnings of Robert Mitchell Co., bronze and iron manufacturer, amounted to $130,981 in 1931, compared with $211,465 in the previous year. After provision for a slightly higher amount of depreciation, net profits of $60,725 were equal to 87 cents a share on the common stock, contrasted with dividend disbursements of $1 a share. After payment of dividends, there was a deficit of $9,275 compared with a surplus of $73,188 in 1930 when earnings were equal to $2.05 a share.

From surplus there has been written off $12,775 on account of depreciation of investments and $24,443 representing a loss on sale of fixed assets. Surplus at profit and loss totalled $628,427 against $684,854 at the end of 1930. In the report it is pointed out that sales and unfilled orders on the books of the company showed a steady decline throughout the year, which, coupled with a further recession in the copper market, found reflection in lower earnings.

Following are details of profit and loss for the past three years:

	1931 $	1930 $	1929 $
Net earn.	130,981	211,465	[illegible]
Deprec.	70,256	68,277	[illegible]
Net profit	60,725	143,188	[illegible]
Divids.	70,000	70,000	[illegible]
Balance	*9,275	73,188	[illegible]
†Deduct	9,934	19,949	[illegible]
Surplus	*19,209	53,239	[illegible]
Prev. surp.	§647,636	‡631,615	[illegible]
P. & L. bal.	628,427	684,854	[illegible]

†Tax for preceding year and balance of expenses of stock issue.

‡Including $240,236 net appreciation due to appraisal and profit on sale of fixed assets.

*Deficit.

§After investment write-off, $12,775, and loss on sale of fixed assets sold and scrapped, $24,443.

Working capital at $732,219 is down from $749,251 at the end of 1930. Current assets at the end of last year were $841,731 compared with current liabilities of $100,512.

The balance sheet shows accounts receivable down 50 per cent at $251,808 and cash slightly higher at $130,307. Inventories, at cost or market, are higher by about $50,000 at $449,472. Investments are down $5,000 at $53,047.

The sum of $180,145 has been eliminated from fixed assets and from depreciation reserve. Property, less depreciation, is carried at $1,586,692. The deduction made represents the difference between the gross and net cost of the acquisition of subsidiary companies. The balance sheets of the subsidiaries were originally merged into the accounts of the parent company. In liabilities, accounts payable have dropped from $251,952 to $78,659.

Wet Process Installed At Canada Cement Unit

From Our Own Correspondent

MONTREAL.—Canada Cement Co. has completed installation of equipment for the wet process of manufacture at its Port Colborne plant and the new 300-foot kiln is now in operation. The improvements to the unit are reported to have called for an expenditure of around $500,000.

Increased efficiency, lower operating expenses and elimination of dust problems are gained by use of the wet process. The company has been following a policy of converting its major plants to this method of operation. The Montreal East unit was placed on this basis last year.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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MASSEY-HARRIS LOOKING FORWARD WITH CONFIDENCE

Getting Ready for Revival by Adjustments Made in Adverse Years

There is not a member of the Massey-Harris Company organization who has not full confidence in the ultimate success of the company and its return to its old position of leadership in the implement industry, in the opinion of T. A. Russell, president, as expressed at the annual meeting on March 14. Mr. Russell stated that, in face of the difficult conditions confronting the company today, it is regaining the organization for servicing the machines in the field, it is continuing the careful redesign of products as well as the design of new machines intended to play a useful part in agriculture. Forbearance had been exercised to a large degree toward those whose financial position made it impossible for them to meet their obligations as they would in normal times.

Improving Line of Machines

B. W. Burtsell, general manager, also expressed the view that the measures being taken to improve the company's lines of machines would bear notable results in the future. Though the plants were practically idle they were being kept in good repair, the engineering department had been strengthened in personnel and the design and creation of important new work was being given renewed attention.

The president's address gave additional information, supplementing the annual report. Sales in 1931 were $16,000,000 against $35,000,000 in 1930. Excluding an important order from Russia, sales showed a decrease of more than 50 per cent and in some districts of as much as 66 per cent. It was possible that reserves of $4,000,000 set up against inventories of $20,000,000 might not be all required, but such provision was thought advisable in view of difficulties of realizing on inventories in countries with depreciated currencies and carrying charges should be provided for in the case of goods which would need more than a year for liquidation. For the same reason extraordinary provision had to be made for losses in collection of bills and accounts receivable in various countries.

Purchasing Power Fell 95%

Just how seriously the low crop in Southern Saskatchewan last year affected the business of the company was shown by Mr. Russell by stating that this district in 1928 had a crop of 173,739,000 bushels with the No. 1 Northern price at $1.17¾, in 1929 a crop of 70,028,000 bushels with the No. 1 Northern price at $1.40¾, in 1930 a crop of 77,786,000 bushels with a price of 50⅞ and in 1931 a crop of 19,285,000 bushels at a price of 63⅛. With little more than one-tenth of the 1928 crop and a price half that prevailing in recent years the farmers in that district had only five per cent of their normal income.

Went Back to Horses

In the United States, where the major product of the company was the tractor, there had been a marked return to the use of horse-drawn implements. The company's new general purpose tractor, however, was meeting with success and much was hoped from it when power farming was resumed.

In Argentina the very difficult times reflected back on the company's sales of reaper threshers and tractors which fell to one-third of those in 1930. It was impossible as well to remit to Canada proceeds of collections and sales.

In Australia H. V. McKay Proprietary, in which the company had a large interest, also had reduced volume. Money collected in Australia cannot be remitted to Canada. New Zealand collections and sales are made under the same handicap. No exchange difficulties existed in South Africa, however, but in England funds collected had been left in the hope that the pound would recover.

French business was down but collections were good. In Germany conditions were difficult and operations on a low basis. Central Europe, once a large market for the company, could not under present conditions import implements nor remit funds.

All the directors were re-elected.

Remove Restrictions on 15 Montreal Stocks

From Our Own Correspondent

MONTREAL.—Trading restrictions have been removed from 15 additional stocks listed on the Montreal Stock Exchange leaving but 12 listed stocks having a minimum price imposed on them. This does not include the bank stocks on which minimum prices still prevail.

Following is the list of additional shares which were given a free market on March 15: Calgary Power, Celanese preferred, Canadian Hydro-Electric 1st preferred, Dominion Coal preferred, Glass, Gurd, Hillcrest Collieries, International Power 1st preferred, Penmans, Simons & Sons, common and preferred, Viau Biscuit preferred, Windsor Hotel preferred, Winnipeg Electric preferred, and Woods Manufacturing preferred.

Dominion Stores Board is Increased to Twelve

Election of R. R. Corson to the directorate of Dominion Stores Ltd., to succeed William T. Bate, was announced at the annual meeting held March 14. The number of directors of the company was increased from 10 to 12, the two new places to be filled later. Directors were re-elected without further change.

Investments of the company are in Dominion of Canada and Ontario bonds and have appreciated $30,000 in value since the end of the last fiscal year. Bank loans to the company had been secured in New York for the purpose of paying dividends and purchasing certain goods in United States funds instead of paying premium on purchase of United States funds.

Mortgages Are Media Sound for Investment

Radio Address Gives Principles to Follow to Achieve Greatest Security

By H. M. FORBES,
Toronto General Trust Corp.

Editor's Note: The following address is the eighth of a series of Talks on Principles of Investment arranged by Western High School of Commerce, Toronto, and broadcast by station CFCA on March 16. The next talk will be on "Common and Preferred Stocks, Their Place in an Investment Programme" and will be given by Russell G. Dingman, of Fraser, Dingman & Co., at 7.45 p.m. on March 23.

The series of broadcasts of which this is one has served to bring to the attention of the public guiding principles in the field of investment and to impress some of the lessons learned in recent years in the school of experience. It is my purpose to devote the period allotted to me to a discussion of mortgages as a medium of investment in Canada, but, in passing, it is interesting to note that for many hundreds of years mortgages issued under proper restrictions have been looked upon as furnishing one of the most secure and satisfactory types of investment.

A Mortgage Defined

The mortgage has been defined as a conveyance of land as security for the payment of a debt or the discharge of some other obligation for which it is given, the security being redeemable on the payment or discharge of such debt or obligation. As far back as the twelfth century the giving of land as a security for a debt was well known but the character of the document evidencing the obligation has materially changed with the years. From Falconbridge's "Law on Mortgages," a well-known Canadian textbook, we learn that in the thirteenth century there were three methods by which a creditor might take a security upon his debtor's land:—

"1. The debtor might give the creditor a lease at a nominal rent. The rents and profits of the land paid off the debt and provided interest for the creditor without suspicion of his committing the sin of usury.

"2. The debtor might convey the land to the creditor for a term of years with a proviso that if the debt be not paid at the end of the term the creditor should keep the land in fee, i.e., have the right to sell or dispose of it.

"3. The debtor might convey the land to the creditor in fee with a proviso that if the debt was paid by a fixed date the land should be reconveyed; and this condition was strictly construed."

This third form ultimately prevailed and gained in popularity as time went on and is the basis of modern practice in loans secured by mortgage.

Security Is Tangible

A mortgage is a security which presents to the investor a concrete and definite picture of what is behind it. The private investor who may not have large experience with securities likes to visualize his security and with full particulars before him of the lands to be mortgaged, a description of the improvements, buildings, etc., he is able to form a mental picture of something tangible that stands behind the mortgage. For this reason a successful farmer with money to invest often prefers to loan it to a neighbor whose farm property is well known to him. For similar reasons an investor in town or city mortgages often prefers this type of investment to stocks or bonds. As mortgages are usually drawn for terms not exceeding five years the investor in such has an opportunity of reviewing his security periodically and of deciding whether to renew the mortgage or call it in.

It is interesting to note in passing that issues of real estate bonds and corporation bonds, which are promises to pay, are generally secured by a mortgage on the property of the company or corporation issuing the securities; such mortgages are made in favor of a trustee and are drawn for the full amount of the bond issue. With this type of mortgage it is, however, not my purpose to deal.

Compared With Bonds

It is not easy to make a comparison between high-grade bonds and first mortgages on real estate from an investment standpoint. The margin of safety in a first mortgage when due regard to the ratio of loan to property value has been had is very considerable, and as first mortgages are generally drawn for a period not exceeding five years it is not likely to vary to any great extent during that period. The rate of interest on first mortgage where due regard to the ratio known law of supply and demand, but as a rule a first mortgage yields a return of from ½ to 1 per cent in excess of the return from bonds or debentures of the highest grade; that is government and municipal. As bonds are usually issued for a longer term than five years, the elements of appreciation or depreciation enter in, whereas a first mortgage, if interest thereon has been paid promptly, is usually worth par at any time during the term for which it is drawn, and while not so easily marketed as a high-grade bond there are generally buyers for a well seasoned mortgage investment.

If there is default in the payment of bond interest or principal the holder must associate himself with other holders of the same series of bonds and take collective action, whereas if a mortgage is in default it is open to the holder to take the necessary remedies to enforce payment or realize upon his security on his own initiative.

I can only suggest a few of the reasons for the placing of mortgages upon real estate. Many more will occur to you upon consideration:

1.—To consolidate indebtedness and provide for its retirement over a term of years by periodical payments of principal with interest.

2.—For the purpose of providing funds to be utilized for land improvement and the erection of buildings to be used by the owner or leased in order to produce a revenue.

3.—To enable a purchaser of farm, business or residential property to finance his purchase. The vendor or seller is generally willing to take a mortgage to secure the unpaid portion of the purchase price.

4.—To provide funds for investment in business or other enterprises or to finance additional land purchases.

5.—To furnish funds for development of subdivision lands for residential or other purposes.

Who Comprise Mortgage Investors?

The funds for investment in real estate mortgages are furnished by private investors, by lawyers acting on behalf of clients, insurance companies, loan companies seeking the profitable employment of accumulated deposits, trust companies and private executors having trust funds for investment, and innumerable societies and institutions having endowment, reserve or pension funds which must be invested profitably and safely. Mortgages on real estate provide employment for large sums of investment funds of every description throughout Canada and under well-defined conditions mortgages on improved city and town property or farm lands are recognized by the statutes of the various provinces as a legitimate investment of trust funds. Canadian experience for a period of more than 60 years has justified this type of investment and the proportion of defaults in relation to the total amount invested has been negligible, except in limited periods of real depression.

How May Mortgages Be Secured?

In the larger cities and towns there are mortgage brokers and financial agents who make a business of placing mortgage loans for a brokerage fee. There are also institutions such as trust companies which act as financial and investment agents. Such companies accept funds from private investors and others for investment in mortgage loans and for a moderate fee not only place the loan but look after the necessary fire insurance, see that the taxes are paid and make collection of interest and principal.

In the field of mortgage lending the collective experience of loan and trust companies has taught them to exercise greater discrimination in the character of farm loans and to loan a borrower not more than he can use in a productive way. This is a lesson which may wisely be heeded by the private investor.

Investors in real estate mortgages have discovered in recent years that the rising tide of taxation in urban and farming districts has added a burden to the property owner which needs careful scrutiny when a mortgage loan is under consideration. Too often heavy taxation just spells the difference between meeting expenses and failure to do so, and consequent default in interest payments. This has been noticeable more particularly in recent years in loans on property used for agricultural purposes and loans on downtown city property which is gradually becoming obsolescent.

There is a tendency when capital is plentiful and seeking investment to fling caution aside and ignore the lessons of the past. Under such conditions borrowers sometimes take advantage of the situation to apply for loans of more than the usual and safe proportions of property values. Exceedingly important then is the dependability of the appraiser whose valuation is the very foundation of the loan. When capital is less plentiful higher rates of interest than currently offered may tempt the investor to increase an existing loan beyond the point of safety or make a loan which, considered strictly on its merits, would be declined.

Principles to Follow

Loan companies and other institutions making loans secured by mortgages on real estate have laid down for themselves very definite principles which are a guide to the private investor.

1.—Ratio of loan to value of property. In most cases 50 to 60 per cent of the properly appraised value is considered a maximum, and under our provincial statutes 50 per cent is the limit allowed a trustee. The margin of 50 per cent or at least 40 per cent is considered sufficient to meet ordinary or even unusual fluctuations in value. Regard should also be had to the proportion of value between land and improvements thereon and the consequent rental value of the property as a whole.

2.—Location and character of property. Are values in neighborhood advancing or likely to depreciate and is the property offered as security in a good state of repair and readily saleable? If residential property, are other houses in the neighborhood of corresponding value or of not less value? What are the annual taxes? These considerations apply as well to business property. If agricultural property, is farm being worked properly and by resident owner? What is the quality of soil? Are rainfall and moisture conditions satisfactory? Is the neighborhood prosperous and has its history been one of steady normal growth rather than a spasmodic or boom development? The ability of farmers to meet their obligations is limited to a large extent by the outcome of their season's operations, especially when the latter are chiefly confined to growing grain as in the west.

Loans on vacant land can hardly be looked upon as investments since such lands do not produce revenue and the only profit to the owner must be through a rise in market value, which is speculative.

3.—The character of borrower is important. Has he been in the habit of meeting financial obligations promptly and is his reputation good? Have the taxes on the property offered as security been paid, and the buildings fully insured? As a mortgage invariably contains the personal covenant of the mortgagor or borrower to repay the loan, financial responsibility is also important, and if upon refault the mortgagee cannot realize sufficient from the property to meet his claim he still has a right to sue for the deficiency under the personal covenant.

The facts can generally be ascertained by a qualified appraiser and the private investor who purchases a mortgage or loans his money upon such security should hesitate to invest his money unless he is prepared to rely upon a thorough report made by a competent valuator, and his solicitor's investigation of the title. Much more so the investor in second mortgages, for should the borrower default in his payments on the first mortgage he places the second mortgagee in the uncomfortable and often embarrassing position of having to take over the first mortgage to protect his security. A much higher rate of interest is generally obtainable on second mortgages because of the attendant risk and smaller margin of security.

4.—Another and most important factor is the state of title. For a standardized fee, based upon the amount of the loan, solicitors will draw the necessary documents, examine title deeds, search the Registry Office records and certify to title, or, if the title be faulty, draw the attention of the investor to any flaws therein, and generally act as the lender's representative in completing the loan.

5.—Unless the margin of security is ample, semi-annual repayments on account of principal should be provided for in the mortgage contract not only to provide against depreciation in the value of the property but also in the best interests of the average borrower.

These principles which I have outlined have been generally accepted by the experienced officials of lending institutions which have been in the loaning field for many years, and the private investor desirous of investing his money safely, profitably and with confident assurance of a return of capital may well give them serious consideration.

BRAZIL MINISTER AFFIRMS BURNING OF COFFEE KEPT UP

Expects to Improve Statistical Position in 1932—Might Help Exchange

Holders of Brazilian common stock are very much interested in knowing the measure of success attained by the Brazilian Government in reducing the very large surplus of coffee still in Brazil. There is at first sight no more relationship between coffee and public utility earnings in Brazil than there was between the cow with the crumpled horn and the House That Jack Built.

Stated briefly, the relationship is as follows. Brazilian Traction common stock pays dividends in Canadian dollars bought by Brazilian milreis which fell in exchange value when the price of Brazil's chief export, coffee, fell because buyers saw Brazilians had twice as much coffee as the world needed in many years and took advantage of the situation to pay exporters so much less than two years ago that governments and companies find it difficult to establish favorable balances of cash and credit in countries where they have obligations to meet. Therefore holders of Brazilian common watch the price of coffee and the great coffee surplus in the hope that sooner or later they may find the statistical position of coffee improve and benefits accrue to milreis and therefore to the company's ability to pay dividends.

Considerable criticism has been levelled against the plan of the government to burn low-grade coffee bought with proceeds from an export tax, and especially critics have dwelt on the fact that the destruction was behind schedule. Dr. Numa de Oliviera, former minister of finance, gives reasons for the delay as relayed to him by Marco de Souza Dantas, president of the National Coffee Council, that arrangements had to be made with the Sao Paulo Government with regard to coffee below Grade No. 8 for which that state had responsibility, and with the railway companies which could not release coffee until freights were paid and to eliminate farmers' coffee pledged to the coffee realization loan.

"Regarding the old retained stocks," said Du Numa de Oliviera, "the situation will be as follows:

Stocks as of June 30, 1931	17,980,651
Monthly redemption quota of 112,500 disposed of by Federal Govt. from July 1, 1931	2,275,000
Total	15,705,651
Farmers' coffee pledged to loans (as at Feb. 2, 1932)	11,250,000
Total	4,455,651

"If you take that figure in addition to the normal weekly elimination of 100,000 bags of current crop in all ports and the quota of 137,500 bags to be redeemed each month from now on from the coffee pledged to the realization loan you will realize that the programme of the National Coffee Council this year will be easily achieved, at least to the extent of 11,105,651 bags made up as follows:

Amount free for immediate elimination (retained stocks)	4,455,651
Weekly usual quota of 100,000 bags current crop	5,000,000
Redemption quota of the coffee realization loan (137,500 bags monthly), which will be paid for by the council with part of the proceeds of the 5s tax and immediately eliminated	1,650,000
Total	11,105,651

"You will be convinced that there is no difficulty for the National Coffee Council in carrying out this year the plan put forward last December. On the contrary, from July onward, since the 1932-33 crop will be a short one, with no excess of current crop having to be eliminated, and the proceeds of the council tax are likely to increase as all the exemptions will be exhausted, council moneys can be used to pay for additional amounts of pledged coffees, resulting in a more rapid elimination of the old stocks. . . . . .

"You may rest assured that the Conselho Nacional do Cafe will carry out its programme within the time specified and perhaps before. You may also rest assured that the valorization of coffee is not contemplated or intended. But it is intended that the statistical position of coffee shall be corrected by the rapid elimination of the surplus so that stability of coffee prices can be attained and freedom of trade regained, thus bringing a return of the situation when just adequate stocks will be carried in consuming countries.

ONTARIO BUDGET SHOWS SURPLUS FOR NEXT YEAR

Increased Taxes Probable on Corporations, Gasoline, Wine, Liquors

The Ontario Government plans increases in taxation amounting to $4,210,000 during the next fiscal year, which, with reduction in expenditures amounting to $4,675,000 is expected to bring an estimated surplus on current account of $365,000 as against deficit of $552,283 reported for the year ended October 31, 1931. The budget tabled in the legislature by E. A. Dunlop, provincial treasurer, on March 11, estimates ordinary revenue for the year ended October 31, 1932, at $56,005,000, and ordinary expenditure of $55,640,000.

Increase in taxes include amendment to the corporation tax act which would bring an additional $2,000,000 and would include additional taxation on banks, life and fire insurance companies, telegraph and telephone companies. It would also include a tax of one per cent on the net profits of incorporated business in Ontario. The revenue from amusement tax would be increased by $200,000 by eliminating present exemptions. Gasoline tax would be increased from five to six cents per gallon and all rebates would be eliminated except to farmers and fishermen. This increase would account for an additional $1,350,000.

The emergency tax of 10 cents per bottle on all spirituous liquors and imported wines sold through the Liquor Control Board of Ontario is expected to bring in $500,000, while a tax on domestic wines sold through the wineries will amount to 25c. per gallon and is expected to bring in $60,000. Increased sale of law stamps will account for another $100,000. With the above increases, ordinary revenues are expected to cover all ordinary expenditures and provide $2,500,00 for direct relief to unemployment and give a surplus in the year of $365,000.

Ordinary revenue in the year ended October 31, 1931, amounted to $54,392,349 as compared with $52,355,019 in the previous year; an increase of $2,155,073. Ordinary expenditure for 1931, exclusive of debt charges, amounted to $43,385,132 as against $43,085,083 in the previous year, an increase of $300,114.

Can. Asbestos Change Plans

Canadian Asbestos Co. announce that their business in Ontario will be in future handled by Canadian Asbestos (Ontario) Ltd. a firm formed by the former agents of the company in this territory. This decision cancels arrangements that had been made for representation by Robt. T. Purves & Co.

Does Profit Sharing For Employees Pay?

When Plans Involve Sharing Risks in Bad Times, Expert Opinion is Against Such Plans — C. P. R. Experience Starts Well, is Unfavorable at Moment

Profit-sharing plans, which involve an employee purchasing only the stock of his own company have been regarded somewhat unfavorably by investment experts in the last decade but until the last two years most of the immediate facts appeared to be favorable. Large well-financed companies increased production, gross earnings and profits continuously for four or five years on this Continent and in all the plans of executives expansion figured prominently and retrenchment very little, if at all. Thus directors felt as a rule that in allowing employees to buy stock of their own company they were building up loyalty to the company and prospects of an increasing competence for the employee.

Investment experts protested that a profit-sharing plan for employees should react favorably to all the tried tests. For example, they urged that an employee buying only the stock of his own company was not getting diversification, a prime essential for the investor. They urged also that when an employee bought stock of his own company his loyalty to the company might be endangered if he got losses instead of profits, especially as his few shares gave him no effective say in the control or management of the concern. The employee in some concerns where management mistakes seriously affected revenue would get in a somewhat critical frame of mind, it was feared.

In many cases no doubt the recession in income may prove to be a matter of only a few years. But many companies not too well entrenched financially offered their stock to employees as well. The plan was followed with enthusiasm by promoters whose chief wish was to get stock of new promotions sold. There were even many cases where jobs were given only to those who bought stock, the jobs proving in the end as little satisfactory as the stock was valuable. In these articles, however, the intention is to study only bona fide attempts of worth-while companies to provide a plan for safely investing and increasing savings of employees.

Few Canadian companies had in 1929 a better background than the Canadian Pacific Railway Co. for the belief that employees would be providing bountifully for their future if they were to buy consistently and persistently the stock of their own company. Therefore, when directors benefitted shareholders in 1927 and 1929 by offering them shares at well under market valuations, they decided as well to extend the same privilege to their employees, and granted the latter the additional privilege of paying in installments month after month over a long period.

On behalf of directors, it may further be said that, in extending these stock offers to employees, they were not simply following the fashion set to give labor in as many instances as possible the chance of sharing in the profits made by capital. They were backed by good investment opinion all over the Dominion. Everywhere one heard the confident assertion by those who bought C. P. R.: "If C. P. R. drops its dividends, then nothing is good in Canada." Yet, Canadian Pacific Railway has cut its dividend in half and the confidence of Canadian citizens in the long future of Canada still remains strong.

Three Years Success

In 1927, 50,000 shares of C. P. R. common stock were offered to employees at $150 a share, equal to $37.50 a share for the present new stock, and on July 1, 1929, books were closed on the offer of an additional 50,000 shares at a price of $170 a share, equal to $42.50 a share on the present new stock. In other words, common stock with a total par value of $10,000,000 was offered to employees for a total sum of $16,000,000. Those who bought the stock in 1927 had every reason in the next two years to be pleased with their investment. Translating the old quotations into terms of the new stock, the stock they bought at $37.50 had a high in 1927 of $54.75, and a low of $41.25 a share. In 1928, the same stock had a high point of $63.25 and a low of 48⅞. In 1929 the high point was $66.25 and the low point was $47; and with reference to prevailing market valuations, directors were offering even a better bargain in 1929 when they gave the employees the chance to buy stock at $42.50 a share. Even the stock market crash several months later only brought the stock

(Continued on page 15)

FIRMS SEE WAYS FOR MORE TRADE WITH AUSTRALIA

Dropping of Barriers By Antipode Country Analyzed

CANADA GAINS

Makers of Gas and Electric Stoves and Appliances Thought to Benefit Most

Although all firms are cautious in expressing an opinion as yet, manufacturers of gas and electric ranges and heating appliances are hopeful that considerable export trade will materialize as a result of removal of prohibitions and surtaxes on these items, announced by the Australian government recently. Agricultural implement makers may also benefit.

Chief items on which the ban has been removed are certain agricultural implements whose import has been prohibited since April 4, 1930, also gas and electrical cooking and heating appliances, confectionery, dry batteries and barbed wire. Removal of surtaxes lowers a 50 per cent barrier which has been in effect since June 20, 1930, on items such as wrapping paper, strawboard, furniture, cordage and so forth. Simultaneously with the removal of these tariff barriers, the tariff on many of these items has been raised slightly but in each case Canada, (through the British preference) gains a further advantage over competitors such as the United States.

Massey-Harris Queried

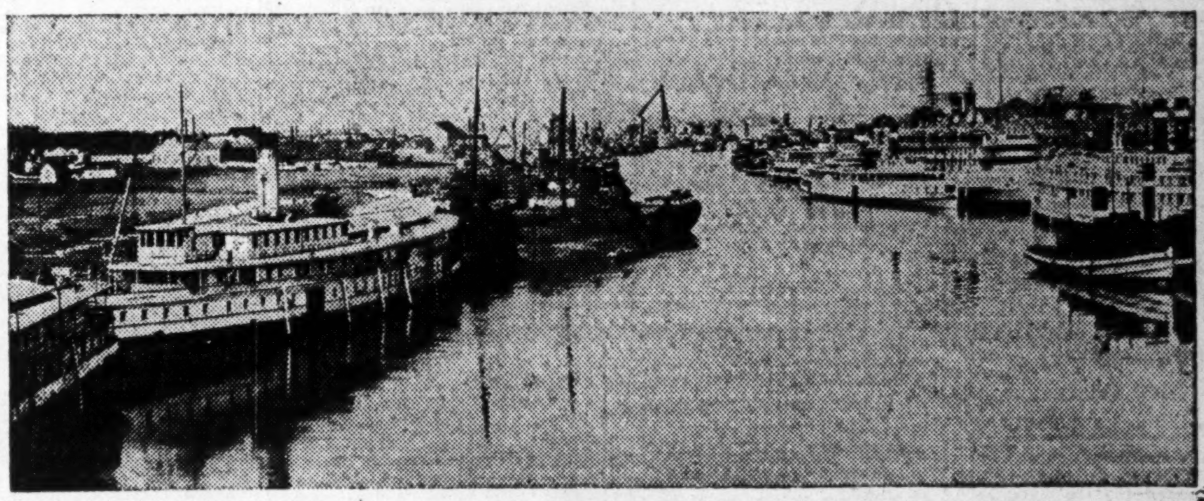
Officials of Massey-Harris Co. queried by The Financial Post, stated they believed the removal of the import ban should lead the way to increased sales of Canadian implements in Australia but pointed out that in so far as their own company was concerned the effect would be only indirect in view of the fact that most Australian business is handled by special arrangement with McKay Proprietaries Ltd., an Australian manufacturer.

E. A. Mott, general manager of Cockshutt Plow, was non-committal as his firm had not yet been able to find out just what the changes meant as far as his company's products were concerned.

Electric Range Market

An official of a leading electrical appliance firm stated that the new tariff seemed to open important possibilities in this field for Canadian manufacturers, removal of the 50 per cent impost having indicated that Australia was once more ready to open its market to exporters. The new tariff set-up

(Continued on page 15)



"Where the Richelieu meets the St. Lawrence"

SOREL is situated at the conflux of the Richelieu and St. Lawrence Rivers. Founded in 1665 and for a number of years known as "William Henry," Sorel has always remained a centre of maritime and industrial activity.

The many industries, originally grouped about the shipping trade, have expanded until their products are known wherever a wheel turns in the Dominion.

Sorel Steel Foundries, Limited, have been among the leaders in this expansion and their manganese, carbon and other alloy steel castings are worthy products of this highly modernized industrial city.

SOREL STEEL FOUNDRIES LIMITED

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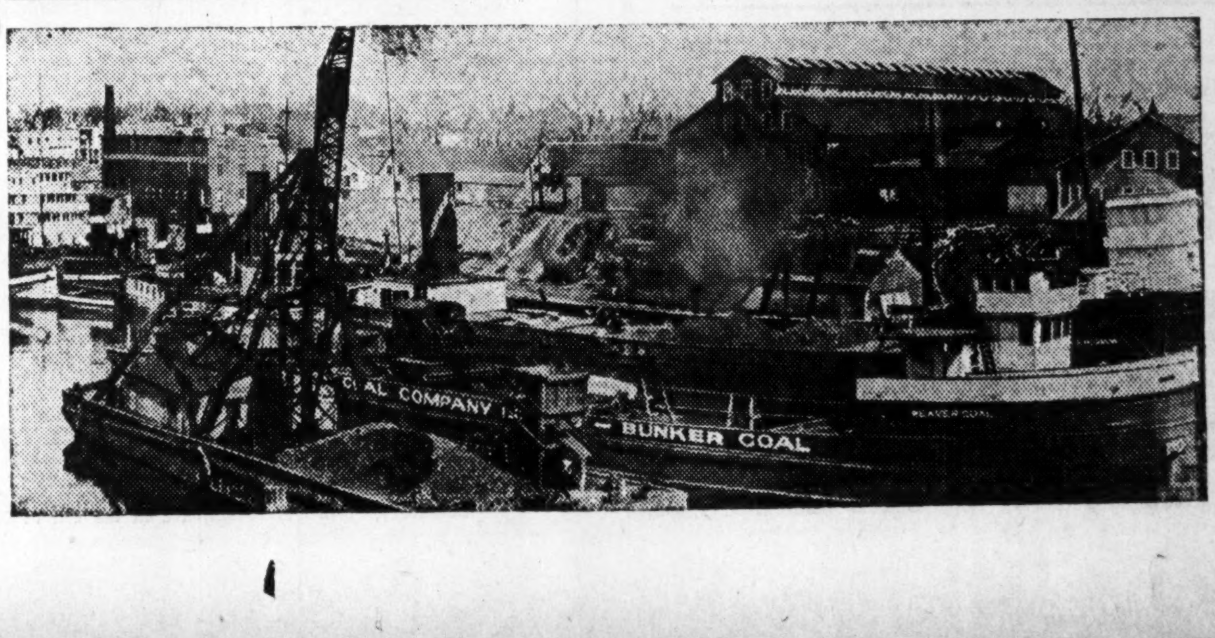
SOREL, Que.



DIVIDEND NOTICE

MacKINNON STEEL CORPORATION LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) for the quarter ending April 30, 1932, has been declared on the 7% CUMULATIVE CONVERTIBLE FIRST PREFERRED STOCK of the company, payable May 2, 1932, to shareholders of record April 15, 1932.

By order of the Board,
J. M. S. MACDONALD,
Secretary.
Montreal, March 15, 1932.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1932, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of April, 1932, to shareholders of record of the 19th March, 1932.

By Order of the Board.
C. A. BOGERT,
General Manager.
25th February, 1932.

CHARTERED TRUST AND EXECUTOR COMPANY

DIVIDEND NOTICE

Notice is hereby given that the regular-quarterly dividend of 1½% has been declared payable on the First day of April, 1932, to shareholders of record at the close of business March 26, 1932.

By Order of the Board,
E. W. McNEILL,
Secretary.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Three per cent, being at the rate of Twelve per cent per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st April, 1932, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board,
WALTER GILLESPIE,
Manager.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-Five Cents ($1.25) per share has been declared on the Common Stock of DOMINION TEXTILE COMPANY Limited for the quarter ending March 31st, 1932, payable April 1st, 1932, to shareholders of record March 15th, 1932.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, March 7th, 1932.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 15

NOTICE is hereby given that a dividend of Fifty cents per Share on Class "A" Shares of no par value has been declared for the period ending March 31st, 1932, to Shareholders as of record at that date and that same will be payable by the Montreal Trust Company at its office in Montreal, on April 15th, 1932.

By Order of the Board,
ERNEST ROGERS,
Secretary
Vancouver, B.C.,
March 11th, 1932.

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

Preference Stock

At a meeting of the Board of Directors held today a dividend of two per cent on the Preference Stock for the half year ended December 31, 1931, was declared payable April 1, 1932, to Stockholders of record at three p.m. on March 1, 1932.

By order of the Board,
ERNEST ALEXANDER,
Secretary.
Montreal, February 8, 1932.

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

Ordinary Stock

At a meeting of the Board of Directors held today a dividend of one and one-quarter per cent (31¼ cents per share) on the Ordinary Capital Stock for the quarter ended December 31, 1931, was declared from the reserve of surplus revenue, payable April 1, 1932, in Canadian funds, to Shareholders of record at 3 p.m. on March 1, 1932.

Hereafter, until further notice, the payment of such dividends as may be declared will be half-yearly. The question of dividend for the first half of 1932 will be considered by the Board at its August meeting.

By order of the Board.
ERNEST ALEXANDER,
Secretary.
Montreal, February 8, 1932.

DIVIDEND NOTICES

NATIONAL STEEL CAR CORPORATION LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable April 1st, 1932, to shareholders of record at the close of business, March 23rd, 1932.

By order of the Board.
CHAS. W. ADAM,
Secretary.
Hamilton, Ontario, March 15th, 1932.

Ottawa Light, Heat and Power Company, Limited.

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending 31st March, 1932, payable to Shareholders of record, 15th March, as follows:—

PREFERRED STOCK: 1⅝% (being at the rate of 6½% per annum), payable 1st April, 1932.

COMMON STOCK: 1½% (being at the rate of 6% per annum), payable 31st March, 1932.

The transfer books will not be closed.

By Order.
F. W. FEE,
Sec'y.-Treas.
Ottawa, 10th March, 1932.

WESTERN GROCERS LIMITED

Notice of Dividend

A dividend of one and three-quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited, has been declared for the quarter ending March 31st, 1932, payable April 15th, 1932, to shareholders of record March 20th, 1932.

By order of the Board.
W. P. RILEY,
President.
Winnipeg, March 8th, 1932.

CANADIAN GENERAL INVESTMENTS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Fifteen cents (15c) per share on the paid-up capital stock of the Company has been declared for the quarter ending March 31, 1932, payable April 1, 1932, to shareholders of record March 15, 1932.

Holders of Share Warrants will present Coupon No. 15 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By Order of the Board.
E. M. STRAIN,
Secretary.

CANADA BUD BREWERIES LIMITED

Dividend No. 10

Notice is hereby given that a quarterly dividend of twenty-five cents (25c) per share on the no par value Common stock of Canada Bud Breweries Limited, being at the rate of $1.00 per share per annum has been declared payable on the 15th day of April, 1932, to shareholders of record at close of business on 31st of March, 1932.

By Order of Board of Directors.
E. J. KAY, Secretary.
Toronto, 11th March, 1932.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending March 31st, 1932, payable April 15th, 1932, to shareholders of record March 31st, 1932.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, March 7th, 1932.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 11

NOTICE is hereby given that a Dividend of 20c. per share (being at the rate of 80c. per annum) has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1932, payable April 25th, 1932, to shareholders of record at the close of business on March 31st, 1932.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, February 23rd, 1932.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 49

A DIVIDEND of one and one-half per cent (1½%) of the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending March 31st, 1932, payable April 15th, 1932, to shareholders of record at the close of business March 19th, 1932.

By order of the Board,
L. C. HASKELL,
Secretary.
Montreal, February 26th, 1932.

LEADING EXECUTIVES

are turning more and more to The Financial Post for information and an accurate picture of the basic conditions of business.

You cannot afford to miss reading each issue during the coming year. Articles of vital interest to Business men and Investors will be published, which will alone be well worth the subscription price of $5.00.

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please send me The Financial Post for the next year (52 issues), this to entitle me to obtain by letter, a personal reply from the Investment Editor to enquiries regarding any Canadian investments in which I may be interested by simply supplying a stamped return envelope. I enclose $5.00.

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Insurance is Centre Of Verbal Battle

House of Commons Hears Sterling Defence of Canadian Life Companies as Prime Minister Replies to Luchkovitch

Parliament again turned the spotlight on the insurance business in Canada this week when Prime Minister Bennett and other prominent parliamentarians staged a lengthy verbal debate over the resolution of Michael Luchkovitch to investigate the affairs of the Sun Life Assurance Co. and the North American Life.

Mr. Luchkovitch based his demand for an investigation before the banking and commerce committee of the house on charges levied during recent months by J. J. Harpell's Journal of Commerce. Prime Minister Bennett replied with a sterling defence of Canadian insurance generally and more particularly the two companies concerned. He hinted that important changes might, however, be made in Canadian insurance laws in the future, but declared it his opinion that an investigation at the present time was unwise and unnecessary. Other members enlivened the debate by either supporting or decrying the resolution which was finally talked out and The Financial Post reprints verbatim for its readers the Hansard record of main portions of this important discussion.

Michael Luchkovitch

"One of the most serious dangers with which we are confronted in this country at the present time is the ever-growing distrust of the public in those financial institutions which, having regard to the nature of their business, should, like Caesar's wife, stand above suspicion. I refer to the numerous ttacks which have been made upon our insurance companies and upon the very questionable manner in which their affairs are said to be administered. As these charges must be either false or true, and as the insurance companies must be either innocent or guilty, I think it is incumbent upon the parliament of Canada as the constitutional protector and custodian of the rights of the people to make some definite enquiry into the allegations made and follow them up with any necessary action and legislation, not only in order to eradicate any evils which may exist, but also adequately to safeguard the interests of the policyholders."

Prime Minister Bennett

"The life companies of the country have for many years been making these returns to our superintendent of insurance, and these returns are from time to time published and the reports are laid upon the table of this house. Particularly it may be said that the Canadian life insurance companies have undergone the strictest form of examination and the most rigid enquiries have been made not only as to the character of their investments, but as to the manner in which their business has been conducted; and they have withstood the closest scrutiny of actuaries and of those charged with the duty of inspection.

Largest Canadian Company

"For some years past the largest of Canadian life insurance companies has been the Sun Life Assurance Company of Canada. It has transacted its operations in almost every part of the world. Its policies are held by leading citizens of India and Japan, of Australia and Great Britain, and I think, in over forty states of the American union, in each of which countries it has to undergo the most careful and rigid examination. Its business—not only its business within the state or country in which its operations are carried on, but the entire financial structure of the corporation—is closely and carefully examined, and the questions that affect its solvency are, of course, considered and determined.

"Under normal circumstances one would have said that charges such as were read this afternoon could be closely scrutinized and carefully examined. But when you realize that similar charges have been made for a long time, and that the only effect has been to dishearten to some extent the policyholders and to create suspicion in their minds as to the sufficiency of the examination carried on by the Department of Insurance, I think you will appreciate why I suggest to the house tonight that it is most undesirable that we should enter into a lengthy discussion touching matters about which we have before us no authentic information.

"The business of insurance contemplates obligations payable many years hence—twenty-five, thirty, forty or fifty years hence. Investments are permitted to be made within the terms of the statute, provided always that the company shall set up, with respect to each policy as it is written, such reserves as will enable it, at a rate of interest not exceeding three or three and one-half per cent, to meet that obligation at maturity. These reserves, to which the hon. gentleman referred this afternoon, must be invested, whatever else happens, by the company in the securities provided by the statute.

Nature of Investments

"The insurance department here has millions, literally hundreds of millions of securities, representing the reserves which by law are set up for the purpose of enabling these various companies to meet their obligations. Inasmuch as these obligations mature many years hence, it follows that there will be ups and downs in the curve of the value of the securities. Mortgages have depreciated in value. Stocks in great depressions depreciate in value. Aye, but more, bonds have depreciated in value. The bonds of the United States of America, regarded I fancy by most people as the foremost security in the world, their gold bonds carrying a low rate of interest, have so much depreciated in value that the fall in some instances has been as much as ten per cent during the last year. A valuation of the securities at the low point of the curve would indicate a very great fall from the values they had in 1929 before the great depression. Those are factors that are always considered in connection with the business of life insurance. They must be, because the liability is one in futuro; the valuation is in the present. The valuation is based upon what the market demand is for the security at the moment.

"Well, if you applied that in a period of great depression, the position would be intolerable from the standpoint both of the company and of the insured. In the United States, where insurance is carried on upon a larger scale than in any other country in the world, as I pointed out the other day the representatives of forty-seven states, every state of the union except Connecticut, met together and agreed that, having regard to past experience and what reasonably might be expected in the future, the valuation to be placed upon the securities should be the average for the five preceding quarters, which would bring it down to the average price on June 30 last. It was considered that that would be a fair way in which to measure the value of the assets of the companies in which, of course, had been invested the premium of all those millions of people who had paid in their money for the purpose of securing the policies. We in this country followed the same course exactly.

Reasons for Action

"There were two reasons for that. One was that our companies were carrying on business side by side with the American companies in practically the same states and would be subject to the operations of that law within those states, and uniformity was desirable in the balance sheets of the enterprises. The second reason was that we believed that Canadian companies carrying on a vast world-wide business should have the same opportunity to place their balance sheets on a proper basis, having regard to all the fluctuations that have taken place during the years and will continue to take place, representing a curve up and down, with values high and low, provided always that in the opinion of the actuaries and of the inspectors of our department the department could certify that these companies were solvent. Those who know Mr. Finlayson, the superintendent of insurance in this dominion, realize that we have in him a first-class actuary. Every company with which I have spoken—and I have had occasion in times past to know something of insurance, having been for many years a director of the Metropolitan Life Insurance Company, and knowing something at least of the conduct of business by the largest of the American companies—held an opinion of our insurance department, of our actuaries and of our superintendent of insurance which left nothing to be desired. They believed that we had as fine a department, as well administered and as well officered, as any department of insurance in the world. That was their settled conviction as expressed to me, and I can only pass it on to this house for what it may be worth. Faced with that position, we entrusted our superintendent of insurance with the onerous and responsible duty of determining what the situation really was, and on the strength of his investigation he issued a certificate on the 31st day of December, 1931, that the Sun Life was a solvent enterprise.

"I have no policy in the Sun Life Assurance Company, nor have I any policy in the North American Life. I believe the Sun Life Assurance Company is as solvent as any company transacting the business of life insurance need be. I believe it to be solvent because those charged with the responsibility have assured me that on any calculation of liabilities, based upon any tables of mortality and the earning power of money, that is true.

Sun Life Restrictions

"Let us look farther. When we came into office these matters had been engaging the attention of the press. That was in 1930, not 1931. What did I do? I found that the Sun Life Assurance Company had not at that time any restrictions upon its purchases of common stocks. It is no secret the late Minister of Finance prepared a bill to place a limitation upon it, but the bill was not submitted to parliament. I saw some of the directors of the Sun Life and asked them to pass a by-law to restrict their purchase of common stock shares. They passed a by-law at once and limited their purchases 25 per cent, which was the figure mentioned in the bill of the former Minister of Finance. They did that, and they have observed it. More than that, however, they have not since we came into office bought any common stocks except those which they had contracted to purchase, and the common stocks which came to them by way of dividends, and otherwise, in connection with their operations.

"A year ago the common stock holdings of the Sun Life Assurance Company of Canada were 51 per cent; today they are 47 per cent. At the end of the year they were 47 per cent. But more than that, when we came into office the Sun Life held a negligible quantity of Canadian bonds. Today the Sun Life has Dominion of Canada bonds valued at $23,000,000, representing the investment reserves of policyholders.

More Stringent Laws

"I have long held, as those who were in the house when I stated my views will recall, that a more stringent restriction of investments by life insurance companies is desirable. That is my view, and I assured hon. members I would endeavor, within the scope of our power—and I put in that qualification, particularly after the judgment of October last—to place those restrictions upon the statute books. Remember this, though, sir. In England they have no statutes with respect to investments, none whatever. They rely upon the wisdom, the discretion and the vision of those who control the enterprises to see that the investments are sound, as it is seldom that life insurance companies meet disaster in Great Britain, or for that matter in any country, for the reasons I have indicated in the earlier part of my observations.

"Now, I think this house will agree with me that the banking and commerce committee is not the committee at the moment to deal with a matter of that kind. It may well be that it is desirable that in the future, when conditions have steadied and the fluctuations are less marked, when the curve is not so well-defined, a calm, dispassionate investigation of the whole business of insurance in Canada should be held. I am hopeful that some of our provinces, uniting with the dominion, will agree that it is to the public interest that there should be a central control of insurance rather than control by every province in this confederation.

North American Life

"I leave the Sun Life for the moment and I turn to the North American Life. With respect to that company, I have a very accurate and complete knowledge. It was brought to my attention last year that the company was about to be mutualized. It is true that the control of the company passed out of the hands of the former holders to Mr. Gundy, and, I think, to Mr. Bradshaw and to one or two others. The capital stock was increased by calling up the uncalled shares. Then Mr. Bradshaw—who many of you know was treasurer of the City of Toronto for several years, and who, I believe, enjoys a reputation for probity, for honor and for integrity second to that of no man in this country—conceived the idea that it was desirable to mutualize the North American Life. Out of the fund which had been collected for that purpose and any other that might be legal, Mr. Bradshaw proposed to pay to the owners of the shares the price which they had fixed as the value of their holdings, and thereby to mutualize the company. He sent out the notice to which the hon. member who has just taken his seat. (Mr. Luchkovich) has referred. That notice in my judgment at the time was not as full and ample as I should like to see it. At the instance of the superintendent of insurance I asked Mr. Bradshaw to come to Ottawa. He came, accompanied by his solicitor, and together we revised that notice and made it so complete that he who ran could read and ascertain exactly what was meant. I asked Mr. Bradshaw, and Mr. Bradshaw at once agreed, that that notice should be sent to every policyholder of the North American Life—not to every shareholder, but to every policyholder—indicating that the company to be mutualized no longer would have any shareholders except the policyholders, fixing the date, the hour and the place at which the meeting was to be held, and giving notice as to the terms under which the mutualization was to be effected. My information subsequent to that meeting—and I enquired again tonight since recess to verify it from the superintendent of insurance—was that those resolutions passed unanimously; not a single policyholder raised any question or offered any objection. Where then was your Policyholders' Association? What were they doing? Why are they here now in this house talking about these conditions when they were afforded an opportunity to make objections, if they had any against the mutualization of their enterprise? And the Department of Insurance, which at the moment was under the direction of the then Minister of Finance, saw to it that complete information was given to every policyholder. Is it right or fitting that in this house this Canadian enterprise should be thus referred to when the policyholders themselves without a single objection accepted its mutualization?"

Mitchell F. Hepburn

"I believe the North American Life is solvent, but on the other hand I believe the Sun Life is insolvent. As the Prime Minister has said, only a very small amount of the investment of the company is in common stock; the depreciation which this company would take in liquidation would be very small indeed, so I do not think there should be any question at all as to the solvency of the North American Life Assurance Co. It is a different matter entirely in the case of the Sun Life Co."

C. H. Cahan (Secretary of State)

"My firm opinion is that the Sun Life is as solvent as any other insurance company that is doing business on the American continent. Of that I am confident. I believe that the company is as solvent as any of the great American companies, and any person who attempts without a thorough knowledge and personal investigation of the facts to paint any other picture than that, a picture of disaster, a picture of insolvency, a picture of bankruptcy before the whole world is doing the greatest possible injury to Canadian credit and to the credit of Canadian financial institutions."

H. E. Spencer (Battle River)

"If as we have been told from the other side of the house, these companies have nothing to fear, they should welcome investigation, and the very fact that they do not want an investigation makes one suspicious. I understand there have been gentlemen around this House of Commons doing their level best to oppose the motion now before us. If they do not want it to go to a committee of investigation it would seem that they have something to hide."

Hon. J. L. Ralston

"Considerable use has been made of the words 'solvent' and 'insolvent.' A company, like an individual, is solvent if it can pay its debts as they fall due. That is the test. The test is not whether tomorrow a man has to sell out on the auction block every security he holds in order to pay off his liabilities. The test is if the company has liabilities falling due over a period of months or years is it in the normal course of business going to be able to liquidate those liabilities. On that basis I think there is no question as to the solvency of the Sun Life or any other insurance company in Canada."

J. Earl Lawson

"As a participating policyholder I was highly delighted with the policy of the Sun Life company in its investments in common stock, because I received such substantial dividends on my participating policies that my premiums were greatly reduced. And surely it little behooves me now, because, by a turn of the wheel and a change of time, the market value of these stocks has depreciated, to come forward and howl about a policy of which I so heartily approved, and the dividends resulting from which I so readily and gladly received.

"What is causing this agitation? I think it has been fairly well demonstrated that it comes very largely from one source — from Mr. J. J. Harpell and this Journal of Commerce. I have no personal knowledge of the gentleman or of the Journal of Commerce, but if I can accept the record published in The Financial Post of January 30, 1932, in reply to a letter from a policyholder in the Sun Life Company, this journal seems to be one which is published intermittently and which is apparently not supported either by the public or by the business community, to the extent of having advertising in its columns, or a published and sworn subscription list of paid subscriptions. It seems to me that before this parliament or any committee of it is asked to take upon itself the onerous task of making such an investigation we should at least have complaint from a substantial number of persons interested, and we should at least have the hon. member who sponsors such a resolution come forward and establish in this chamber a prima facie case.

"But, as against that, what have we? Instead of having presented to us a prima facie case in favor of an investigation we have the record of the actuarial investigation of all jurisdictions under which this company does business. Their report is: They are solvent. We have the report of our own superintendent of insurance, of whose qualifications much has been said this evening, and his report is: They are solvent. And last but not least we have the word of the Prime Minister of this country, a gentleman whose qualifications and knowledge of business in general and of insurance in particular, I am confident, will be conceded by all members of both sides of the house irrespective of their political views. And he says that, after investigating the matter thoroughly, he is of the opinion that this company is solvent."

"I can hardly conceive that hon. gentlemen in that corner of the house would have any objection to the mutualization of the North American Life Assurance Company. I felt it was in the interests of the policyholders, and as an interested party I was very glad to see it accomplished."

Cameron R. McIntosh

As a policyholder in the North American Life I have not the slightest doubt about the future of that company, and had I half a dozen policies in it I should continue to feel that its future is solid..

NOTICES

To Business Executives

University graduate, fifteen years experience in the construction industry including five years successful sales work across Canada, desires to join a business organization (not necessarily in construction field) wherein an executive position and eventually a financial interest may be secured. References as to business ability and character furnished. Communications strictly confidential. Write Box 308, The Financial Post, Toronto.

MONTREAL TRAMWAYS COMPANY

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig St. West, Montreal, at 12 o'clock noon, on Thursday the 31st day of March, 1932.

This meeting will be convened as called and immediately adjourned until Monday, the 25th April, 1932, at the same time and place.

The Transfer Books will be closed from the 11th day of March, 1932 to the 30th day of March, 1932, both dates inclusive.

By order of the Board.
PATRICK DUBEE
Secretary-Treasurer
Monday, February 15th, 1932.

DIVIDEND NOTICES

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 27

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending March 31st, 1932, payable April 15th, 1932, to shareholders of record at the close of business, March 31st, 1932.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, February 26th, 1932.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1932, to Shareholders of record as at close of business, March 15th, 1932.

W. S. BARBER,
Secretary-Treasurer.

C.P.R. Operating Income Fails to Cover Preferred

Addition of Special Income Brings Earnings for 1931 Up to 62 Cents a Share on Common After All Charges

From Our Own Correspondent

MONTREAL.—Earnings of the Canadian Pacific Railway in 1931, from rail and steamship operations alone, were not sufficient to leave any profit applicable to the common stock, after charges. In fact, before addition of special income, earnings after charges were slightly lower than preferred dividend requirements. Including special income, however, profits were equal to 62 cents a share on the common compared. Distribution of the dividend resulted in a deficit of $8,236,225.

Preliminary statement of earnings for 1931 reveals the hardships encountered by the railway last year. In other years the regular 10 per cent common dividend has been provided by 7 per cent from operating earnings and 3 per cent from special income. Last year, however, earnings after fixed charges, but before special income, totalled $3,632,508 compared with preferred dividends of $5,410,697 and common dividends of $16,750,000. In 1930 operating earnings, after fixed charges, were $19,088,793.

Net Revenue Declines

Net operating revenue in 1931 was $25,682,872 compared with $38,248,658 in 1930. Special income showed a drop, totalling $10,951,964 contrasted with $20,042,923 in the previous year. It should be remembered that special income in 1930 included a proportion of a special distribution from the Allan Steamship Co. of $6,500,000.

Total income in 1931, therefore, was $36,634,836 against $58,291,581 in the previous year. Fixed charges were higher by nearly $3,000,000 at $22,050,364 and net profit totalled $14,584,472 as opposed to $39,131,716 in 1930.

Earned 62 Cents a Share

The usual deduction of $750,000 for pension fund has been made. Preferred dividends were higher by $405,000 at $5,410,697 reflecting the issuance of additional shares and balance applicable to the common shares was $8,423,75 or 62 cents a share, compared with $33,376,093 or $2.51 a share in the preceding year.

Comparison of Earnings

Following is a comparison of earnings:

	1931 $	1930 $
Gross earnings	142,337,648	180,900,804
Working exp.	116,654,776	142,652,146
Net earnings	25,682,872	38,248,658
Special income	10,951,964	20,042,923
Total income	36,634,836	58,291,581
Fixed charges	22,050,364	19,159,865
Surplus	14,584,472	39,131,716
Pension fund	750,000	750,000
Net revenue	13,834,472	38,381,716
Preferred divds	5,410,697	5,005,623
Balance	8,423,775	33,376,093
Ordinary divds	16,750,000	33,242,907
Net surplus	*8,326,225	133,186

*Net debit chargeable to surplus.

The operating results include operations of the Kettle Valley Railway from January 1, 1931, and those of the Algoma Eastern Railway, the Fredericton and Grand Lake Coal Railway and the New Brunswick Coal and Railway from July 1, 1931, as the operations of these companies were from those dates consolidated with those of the Canadian Pacific.

Special income account reveals but a moderate decline in net revenue from investments and available resources though net earnings of telegraph, news departments, etc., show a drop of over $1,000,000 as does interest on deposits and interest and dividends on other securities. In 1930, however, this latter item included $737,774 representing dividends paid on liquidation of the Allan Steamship Lines.

In net earnings of ocean and coastal steamship lines the apportionment of undistributed reserves made in 1930 'totalling $6,500,000 should be borne in mind. Deducting this sum it will be seen that net earnings of these lines last year at $487,517 were only slightly lower than the $531,939 reported in the previous year.

Following are details of special income for the past two years:

D——C. P. R. Operating—

	1931 $	1930 $
Net rev. from invest. & avail. resources..	3,191,589	3,402,363
Int. on dep. & divds. & int on other secs.	5,648,600	6,689,324
Ocean & coastal lines	487,517	*7,031,939
Telegraph, news depts, hotels, rentals, misc.	1,624,258	2,919,291
	10,951,964	20,042,923

*Includes $6,500,000 appropriation of undistributed assets of Allan Steamship Lines.

Elected Vice-President

Wm. Findlay, president, Lord & Thomas and Logan of Canada, has been elected a vice-president and director of Lord & Thomas and Logan of the United States.

It is said that the Lord & Thomas and Logan group of advertising agencies, which are located throughout America and Europe, handle a larger volume of advertising than any other similar group.

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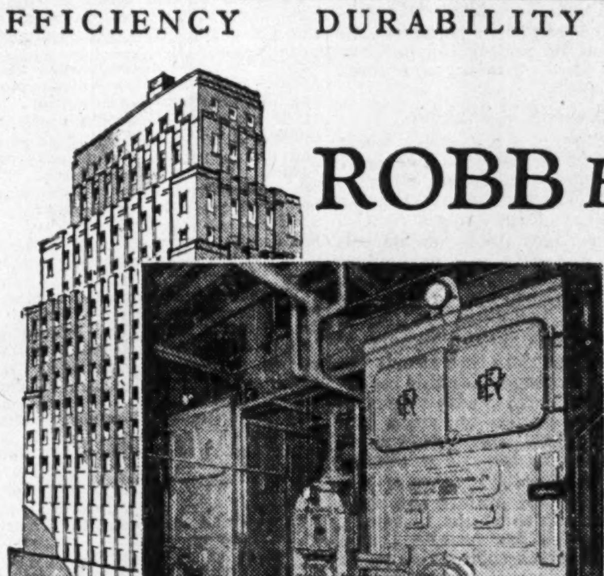

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Kitchener-Waterloo "Fairhall" Shareholders Form Protective Assoc.

Asking Members to Withdraw Proxies Favoring Reorganization

LARGE LOSSES

State Willingness to Co-operate Diversified Standard Securities Elsewhere

Kitchener & Waterloo Shareholders Protective Association of Diversified Standard Securities, P. O. Box 172, Kitchener, Ont., has been formed to oppose the reorganization plan recently proposed by the management of Diversified Standard Securities. The association has decided on the policy of not sending proxies to the management at Montreal, and it is requesting shareholders, who have done so to cancel proxies already sent. The association is also seeking co-operation from protective associations which have been or may be formed by shareholders in other Canadian cities. To finance the fight the committee has already assessed shareholders in Kitchener and Waterloo for an original contribution of five cents per unit of one preferred share and one common share held.

It has been stated at meetings of the shareholders in Kitchener that if the management cannot get 75 per cent of the preferred shareholders to agree to the reorganization plan at the meeting on March 23, the plan will automatically fail, and that in such a case the preferred shareholders will automatically in June get a vote, giving them potential control of the company. Then any reorganization plan would be put through with the preferred shareholders in a position to see that their interests were adequately protected.

The Financial Post is in receipt of a letter from the Protective Committee at Kitchener and Waterloo in which the financial position of Diversified Standard Securities and the proposals for reorganization are analyzed in detail. The letter expresses dissatisfaction with the management of the three trusts on the ground that the history has been unsatisfactory. The moneys received in the treasuries of the three trusts are outlined in the following table:

	1st Trust $	2nd Trust $	3rd Trust $
Rec. in treasury	1,409,518	2,255,823	479,586
Underwriting & organiz. exp...	258,212	529,517	101,895
Total rec. from public	1,667,725	2,785,340	581,481
*Percentage ...	18.31%	23.47%	21.24%
Total capital rec. from public ..			$5,034,546
Combined capital rec. in treasury			$4,144,922
At a cost of			889,624
Equal to			21.43%

*Percentage of underwriting and organization expense to moneys received in treasury.

The distributing and incorporation costs would be 17.67 per cent of the total subscribed by the public, only $82.33 of each $100 being available to earn income. The 1930 financial statement analyzed showed the following distribution of income on this 82.33 per cent of subscription totals actually received into the treasuries of the three companies:

	1st Trust $	2nd Trust $	3rd Trust $
Gross income ...	48,720	81,578	10,416
*Operating costs	19,976	27,483	5,654
Trustees' fees ..	1,846	2,553	2,939
Audit, legal	576	651	534
Taxes, other than income	1,668	2,824	629
Total oper. costs	24,066	33,511	9,756

	$	On capital
Gross profit of 3 trusts	$140,714 or	3.3948%
Operating costs	67,333 or	1.6244%
Net profit before income tax	$73,381 or	1.7704%

Operating costs are equal to 47.85% of gross income.

*Inclusive of interest but exclusive of trustees, audit, legal fees and income taxes.

Promoters Control

The letter continues in part as follows: "The income of the 'third' trust has been compiled from the profits submitted covering a 21 month period: similarly the management costs have been arrived at. The trustees fees, audit, legal fees, taxes other than income tax, have been taken from the pro forma statement covering 1931.

"We find the originators made a gross profit of approximately some $800,000. Not content with such a huge profit, we find these originators have caused to be allocated to themselves, or associates, in Diversified Standard Securities, Ltd., 50,000 founders shares, now known as founders deferred shares with dividend regulations entitling them to $1 per share, after common shares held by the public receive $1. Any further distribution between both classes of stock was to be on a share for share basis and by reason of voting power, control the management policy and destiny of the company.

"In the second trust, they retained Class 'B' voting stock, of which there are outstanding 100,000 shares—which in turn control the company.

"From the above it is obvious that the originators of these trusts, not only obtained a huge cash profit in the distribution of securities but retained, by junior stock, control of the trusts. This control vested in the management group the sole right to invest the funds of the company, 'within the terms of trust agreements' and to charge such management fees as they see fit.

"Margin" Buying Admitted

"It was the understanding of the investors of these companies that no stocks were to be bought on margin and yet in a report for the fiscal year of 1930, in the statement of operating costs are shown items of brokers and bank loan. At a meeting held in Kitchener, Burton Hill, the general manager of these trusts, in answer to a question, indicated that the company had been buying securities on margin, which we are led to believe is contrary to the restrictive terms and safeguards outlined in the original prospectus.

When India Ships Gold It Is Silver's Gain

The increased value of gold has stimulated mining, and the two greatest producers, South Africa and Canada, have made new records during the past year. In India the world has discovered a new gold mine! More than £25,000,000 of gold has been shipped from India within the past four months. This is an unprecedented movement, sharply reversing the trend of centuries. No reliable statistics of Indian gold holdings are available, but it is probably no exaggeration to say that they have the greatest supply of any country in the world. Cheap silver offers a satisfactory alternative for their hoarding purposes. If they increase their holdings of silver in place of gold, it is expected to provide an answer to the silver question, as India has been the dominating factor in depressing silver prices.

"At the above mentioned meeting a number of points were brought out where the claims of Fairhall & Co., the underwriters of stock, were discussed and the answer given to the shareholders by Mr. Hill was that the promises and stipulations given in the prospectus were a matter of a selling policy of Fairhall's and that the present company could not be held responsible for any such statements. This, of course, is very disturbing information to the shareholders when it was generally understood that Fairhall and associates, through their holdings of 'B' stock, control the policy of the company.

"In the printed memo dated Jan. 18, 1932, the presidents of the three respective trusts submitted a pro forma statement of the three companies in which they indicate that the net asset value of the 'preferred' stocks of the companies are as follows:

1st Trust, $5.35, representing net assets of $214,270;

2nd Trust, $9.63, representing net assets of $712,318;

3rd Trust, $9.76, representing net assets of $152,068; or a total of $1,078,657.

Capital Remaining 28 P. C.

"Taking the liquidating value outlined as at Oct. 31, 1931, we find a net value of $1,078,657 as against the original capital received in the combined treasury totalling $4,144,922. The value of the companies investments under the stewardship of the originating group has shrunk below 28 per cent of the original capital received in the treasury. The shareholders of the respective trusts are asked to permit of re-organization, which would leave the present management group in the saddle, to administer the affairs of these companies by reason of the originating group retaining or receiving one share of the new Class 'B' common stock without par value, for each two shares of Class 'B' stock and founders shares respectively now held by them. They further propose that this new class 'B' stock shall have double voting power, which is tantamount to giving them control of the future operating policy of the 'consolidated trusts.'

"Are such a group entitled to this confidence? Has their stewardship in the past tended to protect to the utmost the earning power due the senior securities in the respective trusts? Examination of the figures submitted would not indicate so. Almost 50 per cent of the gross income has been paid out in operating costs.

"This management group which has placed little if any money in the treasury of this company, and on the other hand has made a huge cash profit out of the sale of securities to the present shareholders, retain to themselves all the important information relative to the companies' assets, cost of operation, etc., and virtually refuse the shareholders who provided the cash capital, any detailed and intelligent information about their own company.

Information Asked For

"Information asked for at the Kitchener meeting was promised by Mr. Hill, but, to date, has not been received to our knowledge. Further information requested by registered letter has not been received and without these figures no decision should be arrived at to ratify the proposal.

"In so far as there is a very short time before the meeting on March 23, it appears that any concerted action on the part of the shareholders of these companies is very difficult, but, at the same time, it appears very evident that it would be unwise indeed for shareholders to give their consent to this merger, considering the record of the company. The chief selling argument advanced by the company is that as the result of this merger they will reduce their expenses about $15,000 per year, and the point is made that if the shareholders accept their proposal, the preferred stock will have a prior claim on dividends up to $2.50 per share noncumulative.

"We understand that the asset value of the securities as of October 31 was slightly over $1,000,000 and assuming that there is a 6 per cent average return, in the shape of dividends on these securities, the gross income would be $60,000. The operating expenses in the pro forma statement of October 31 showed $34,000, and let us assume that this is reduced by $14,000, bringing the new operating expense to $20,000, this would leave $40,000 available for dividends on the preferred stock, and in the new set-up there are to be 50,595 shares of preferred stock which would mean dividends at the rate of 79c per share. In other words, before the preferred stockholders could secure $2.50 in dividends the company's net earnings would have to increase three to four times, so that it appears as if the likelihood of the $2.50 dividend on preferred stock is quite remote and certainly the A and B stocks are extremely remote from a dividend standpoint. For this reason, we cannot understand why the promoters and holders of the B stocks are so anxious to retain control, certainly as it doesn't appear to be from dividend expectations on the B stock.

Preferred Wants Vote

"In view of the fact, that within about six months, the preferred stock under the present charter would have a vote it appears that the present control of the company is anxious to change the charter so that they will be able to retain control of the company, and we feel that if they had the shareholders' interest thoroughly at heart they should certainly in their new set-up at least give the preferred stock shareholders voting power which apparently they are reluctant to consider. From all we are able to learn the only money put into this company was that put in by the preferred and A stockholders as the 'B' stocks were given to the founders gratis, and if the present management is so anxious to re-organize this company for the benefit of the people who put their money in, it is difficult to see why they should not be willing to give the preferred stockholders voting power.

"In the opinion of the majority of the Kitchener and Waterloo shareholders, the proposed reorganization offered is grossly unfair and it appears that the shareholders would be very wise in not sending in their proxies in favor of the reorganization, and if they have already been sent in, it would be wise to recall them. In any data so far submitted to the shareholders and in the remarks of Mr. Hill at the Kitchener meeting of the shareholders, no information was given as to the type of securities which are now held and it certainly seems reasonable that if the present management wish to take into their confidence the people who had put up the money, they should certainly be willing to show what securities were now owned by the company.

Other Solution Wanted

"Assuming that the assets of the company are approximately one million dollars, under the proposed plan their cost of administration would be probably over 2 per cent, whereas we understand that in other well managed trusts the cost of administration is around ½ of 1 per cent of the asset value. Apparently the assets of the company have shrunk to such an extent that it is not practical under any management to carry on the business profitably as the expenses would eat up a great deal of the earnings, and the only solution that appears reasonable is that the assets of the company should be distributed to the shareholders or that the management of these consolidated investments should be combined with those of some other company where management costs are within reason.

"The shareholders have never been given a clear and definite statement of the investment policy and the shareholders understand rightly or wrongly that the whole decision as to the purchase or sale of securities rests in the hands of Mr. Hill, the general manager. His actions, of course, may be ratified later on by the directors, but, apparently, so far as the shareholders know, there is no definite undertaking that the actual decision on transactions must be ratified by other responsible officials than Mr. Hill, the general manager, alone.

"In view of the dissatisfaction with the proposed re-arrangement, it is generally felt that if the people in control were really considering the interests of the people who actually put money into the project, they should be quite willing to defer or postpone their meeting until such a time as the preferred stockholders had a vote, and certainly no one is more entitled to an effective voice in the company than the people who put up the money and who now see their investment shrunk to only a quarter of its former value, in addition to the extremely large underwriting fees that were paid for the flotation.

"In the opinion of the majority of the Kitchener and Waterloo shareholders, every investor in these corporations should certainly withhold his proxy for this reorganization and if it has already been sent in, he should demand the recall of it, as it appears that the proposed re-arrangement is very unfair and should be defeated."

Kitchener & Waterloo Shareholders' Protective Association,
Per H. F. WILSON.

Dominion Textile

As a subscriber to The Financial Post I would be glad to have your opinion of Dominion Textile Co., its position and prospects. Do you think that there will be a reduction in dividends?

Dominion Textile Company has been able to report earnings sufficient to cover common dividends when other cotton manufacturers in Canada have shown sharp decreases in profits. In recent years gross sales of Dominion Textile have shown contraction, but other income has been increased to a point where all charges, including dividends, have been covered. Until the financial statement for the year ended March 31, 1932, is published, it is impossible to estimate the result for that year. There can be no doubt that sales have shown little if any improvement since demand has fallen off and competition has remained keen. Whether other income has been maintained remains to be seen; this factor is likely to play an important part in final results.

The company is the leader in the industry it serves and over a long period of years has built up a strong financial position. At the end of the last fiscal year, the report showed a satisfactory liquid position and a surplus of $7,515,552. After all charges, earnings on the common stock were equal to $5.06 a share compared with the present dividend of $5 a share. Raw cotton inventories had ben reduced from $2,035,126 to $667,155.

Conditions in the textile industry are still difficult, and the margin of profit on sales is narrow. It is possible that some reduction may be made in dividend payments, but the strong financial and operating position of the company lends some encouragement to the future.

Brazilian

My husband, who died in November, left me some shares in Brazilian Traction. Are these sound?

Although earnings of Brazilian Traction, when changed into Canadian dollars have shown considerable decline in the latter part of 1930 when there was a revolution and during 1931 to date, it is believed that the earnings as measured in milreis, the currency of Brazil, have kept up quite well when considered in relation to the difficulties and the business depression. The company has good management and has expanded notably in the last decade.

The whole prospect, from the standpoint of common shareholders, depends on Brazil, the country itself, coming back in a way which will make the milreis a dependable medium for exchanging into Canadian dollars in order to pay dividends. The future for the next year or so in Brazil is difficult to judge. It is a country of great resources but the disturbed political, financial and commercial situations, and the fluctuating exchange rate of the milreis with reference to the Canadian dollar should make one slow to prophesy.

Cabinet ministers in the Brazilian Government claim that they have been improving the position recently, that the budget now balances, that there is a favorable balance of trade and that affairs are gradually improving. The company was recently obliged to omit service, however, on its foreign bonds because of the exchange situation. The immense surplus of coffee will take many years to work off on the markets of the world and good prices cannot be expected therefore for a long time. Coffee is the country's chief crop.

Fraser Companies

I would be much obliged if you would give me some information as to the outlook for Fraser Companies common stock. I hold some of these shares and would like your views on them.

Outlook for the common stock of Fraser Companies is overshadowed by the difficulties which the company faces in meeting its senior obligations. As you know, interest on the company's debentures has been defaulted while in July of this year the principal of $7,500,000 of advances and notes falls due. Indications are that the maturity of these notes will have to be extended and it is more than likely that some sort of capital reorganization will be affected within the year. In view of this situation the position of the common stock cannot be considered attractive.

Asbestos Corp.

I hold some shares of Asbestos Corp. and am disappointed to hear that the company has had to be reorganized and capitalization widely reduced. Was this necessary?

Though the slashing of capital values may appear drastic, such a move was inevitable in face of the situation surrounding the company. Production in the past few years has shown sharp declines and prices, to compete with Russian and Rhodesian mines, have allowed but a small margin of profit. Under the old capitalization, fixed charges of Asbestos Corp. proved a greater burden than the company could carry and the new structure is more in line with the company's earning power. Under the present management, wide changes in operating policies have been effected.

Ajax Oil & Gas Co.

Please give me some information on the position of Ajax Oil & Gas Co. Is it likely to pay a dividend at an early date?

Ajax Oil and Gas Co., although incorporated twelve years ago, has always sold on its potentialities, but to date it has not had earnings sufficient or liquid assets that would justify dividends being disbursed. Its principal potential source of income is from its interest in oil wells in the Oklahoma City field, the production from which is subject to government curtailment and proration programmes. For many years the company has had a limited source of income from interest in south western Ontario gas wells. With the over-production of oil in evidence in the Oklahoma field and elsewhere there is little on which to base hope for immediate correction of this situation that would increase the earnings of the companies interested in this field. F. L. Culver, Toronto, is president of the company.

Montreal Cottons

Among my holdings are some preferred shares of Montreal Cottons Ltd., which I have had for some years. In view of the profits reported by the company in the past few years I have wondered whether the preferred is worth holding on to. What is the outlook for this company and can you give me a quotation on the preferred stock?

Our understanding is that earnings of Montreal Cottons Ltd., in 1931 are likely to show some improvement over the previous year, though whether preferred dividends will be covered has not been disclosed. The earnings record of the company in the past few years has not been satisfactory; no depreciation has been provided since 1927 and in 1930 there was an operating loss of $329,361. Dividends, however, on both preferred and common shares have been maintained at their regular rates, though the disbursement on the common stock has not been fully earned since 1927.

Despite this showing, there are some factors which lend encouragement to the company's outlook. As you probably know, Montreal Cottons is controlled by Dominion Textile Co. and in the past year has received the operating and technical assistance of the latter company's staff. Further, a most comprehensive programme of plant rehabilitation is nearing completion; new equipment has been installed and sweeping changes have been effected in operating schedules. The plant, which, incidentally, is one of the largest cotton mills in the world, has been equipped as a fine goods, fancy and colored, organization, and it is reasonable to assume that under the new policies adopted, an improvement will be noted.

In viewing the preferred stock from an investment angle, it is well to remember that Montreal Cottons leased its water rights at Valleyfield to Beauharnois Power Corp. in 1929 for a cash consideration of $1,975,000, some Beauharnois common stock and 8,000 h.p. delivered free of charge. This has tended to strengthen the company's financial position, which, at the end of 1930, was not unsatisfactory. A clearer picture of the situation surrounding the company will be available when the financial statement for 1931 is issued.

Restrictions on trading in the preferred stock were lifted on February 22; since that time no stock has been offered and no bids have been made, consequently the former minimum price of 95 is the only quotation available.

Ruby Oil & Coal

I have been advised to buy units selling at $100 each of the Ruby Oil & Coal Syndicate who claim to have holdings of China clay deposits in Northern Ontario. I would appreciate your opinion on this proposition before venturing further even as a speculation.

The principal interest in Ruby Oil & Coal Syndicate is because of its china clay deposits on the Missinaibi River in the James Bay Basin. This deposit is one of the most promising deposits that has been so far discovered and is rated as a secondary or a sedimentary deposit. The clay has been tested by the mines department at Ottawa and is said to rank with the best china clay found in the United States and to be almost as good as the English clay at present imported. The overburden is from 35 to 55 ft. less than for some of the other deposits found in the north.

It has not yet been demonstrated that Northern Ontario china clay can be mined to compete with the English china clay at present imported. In the case of Ruby, its holdings are 30 miles from the railway which involves a transportation problem that would have to be solved before a test could be given of its economic importance.

International Power

I am told that though preferred dividends of International Power Co. payable on January 1, 1932, were earned, they were deferred owing to the large floating indebtedness of the company. Is this so?

Your understanding regarding deferment of the International Power Co. preferred dividend is correct. It was officially stated that the dividend payable on January 1, 1932, was earned, but owing to the impossibility of marketing securities to fund the floating debt it was decided that revenues which would otherwise be paid in dividends would be applied to reduction of this debt. The general balance sheet of International Power Co. as at the end of 1930 showed bank loans of $4,000,000; 1931 figures are not yet available. Shareholders have been informed that steps will be taken to fund this floating indebtedness as soon as conditions permit; the preferred stock is cumulative.

In the Mail

If Conference is to Succeed

Editor, The Financial Post:

If Canada is to succeed at the Imperial Conference in Ottawa in July, her business leaders taking part must become closer students of international business, exchange and finance. While Canada has all the facilities, much ground work must be done at an early date to take care of this gigantic new trade in the most economical way for Canada, if we are to have the full results from a successful conference and its workings.

Today we are clearing all our purchases from England and abroad, with New York funds, at a handsome premium to our neighbors to the south. Why not establish a clearing house in Montreal and save this premium? It could be done by the banks of England and Canada taking shares in a Montreal exchange, where there is now an international English bank, no doubt established by English financiers some years ago with this object in view. This very important matter should be adjusted before the conference meets.

Then again it will be necessary for Canada to establish larger storage warehouses at home in England and the colonies, to take care of these imports and exports so that ample credit may be given the banks, as it is on warehouse receipts that much money is loaned for financing buyer and seller.

Canada's geographical situation, particularly on the Pacific coast, gives her a great advantage in shipping to our important colonies and the Orient, saying nothing about the St. Lawrence route, which has been so well established for distribution to the world at large. Above all, an educational work should be begun at once to educate our exporters, particularly from the farm, on how to prepare their shipments and to classify carefully all their products. England is a world buyer, and highly educated in the art of selecting the products of the highest quality, at the keenest price. She also is a particular buyer, and must have all products put up to suit her own particular requirements. All shipments should be government inspected and stamped with a Canadian government stamp. Manufactured goods should be standardized, bearing permanent number, code name and trade mark to make it possible for the buyer abroad to order intelligently by cable and with all confidence and to avoid any dissatisfaction on the arrival of shipments. All transactions must be thoroughly satisfactory, to establish firm confidence for a successful export trade.

Now is the time for action.

A. MACINTYRE BRUCE.

St. Thomas, Ont.
Feb. 15, 1932.

Too Much Bad Advice

Editor, The Financial Post,—

I have been a close reader of The Post for three years and occasionally before that but was so interested in your efforts to protect the public against the politicians and financial sharks that I felt I must systematically read your findings and warnings.

During the years 1928 and 1929 I was resident in Toronto and found time to patronize one of your leading stock brokerage houses and also a prominent investment house much to my financial disadvantage.

First, of the stock brokers. I was advised not to sell Noranda at $75 per share; to buy International Nickel at $65; to buy Northern Bakeries at $45; to hold City Dairy for $100 a share when I wanted to sell at $82. And in only one instance during that period was I advised to my benefit and then by an employe of the house.

And now as to the Investment House (I use capital letters). I was advised to sell French 7's and buy instead Brazil 6½'s. With what results? I, because of selling during the late part of '29, escaped heavy losses but my Toronto experience was very expensive and may end profitably since I have deduced that the public can best afford to buy only their own country bonds for safety and bank shares for any balances they have since those soliciting your business see only their commissions, you to carry the loaded dice and pay the price. Keep up your good work.

F. J. C.

Montreal, March 3, 1932.

Changing Values Hurt

Editor, The Financial Post,

We are passing through trying times. Believing in the old saying, "The Lord helps those who help themselves," we are trying to remedy our troubles.

Municipal councils are cutting the wages of their teachers and employees, and will probably relieve the ordinary taxpayer a few cents or a dollar in his taxes. County councils, provincial government and the federal government do the same and in the final analysis the average taxpayer saves a few dollars in taxes. On the other hand these employees have an uncontrollable expenditure of probably two thirds of their income for rent, investment in education or property, taxes, insurance, light, heat, etc. If they have a 10 to 20 per cent cut in wages the controllable expenditure of these employees is cut almost in two. This means that their expenditures on charity, food, clothing, reading material, pleasure, investments in the developing of the country, etc., are cut very drastically. In turn the parties supplying these items are working only a portion of the time formerly. They cut wages, discharge employees (adding to the present unemployment) and so on. Then the logical thing to do is again to cut wages of municipal or government employees and so on ad infinitum.

What help is it to a man to save three or four dollars in taxes when he has had a mortgage foreclosed on him through no fault of his own and has been robbed of his life's savings? What help is it to the man who has had his controllable expenditure cut in two or the unemployed who cannot pay taxes?

Is it possible that our depression is due to the unstable and unfair dealings between lender and borrower?

We have apparently corrected our banking system, our medical men have eased our physical ills, other professions have added greatly to our comfort and well being. Our courts of justice try to prevent robbery and do justice. Why can't our leading economists and financiers get together and remedy these great injustices.

It has been suggested that the number of grains of gold in the dollar be changed at regular intervals so that it will always purchase an equal amount of say 100 commodities or necessities of life. In that case if a man borrowed a dollar he would know he would have to pay only a dollar in effort instead of two or three, and if he lent a dollar he would be sure of getting it back instead of 50c in buying power.

This may not be the solution or anything like it but surely there must be a solution and why not solve it now instead of 50 years from now.

PERPLEXED.

Walkerton, Ont.
March 5, 1932.

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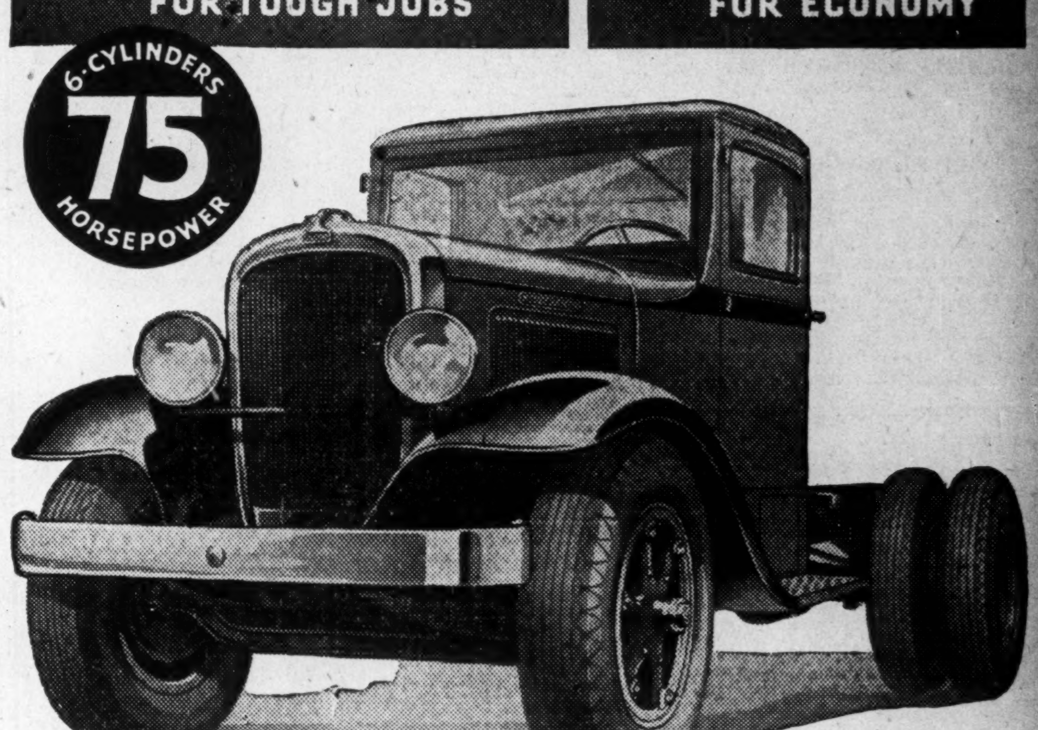

STUDEBAKER truck sales in Canada increased 130% in 1931 as compared to 1930, although the truck industry, as a whole, showed more than 27% loss.

The proved dependability of Studebaker trucks and the low haulage cost per ton-mile have been, in a great degree, the factors responsible for this remarkable increase.

PRICES
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2 ton— 1250 to 1470
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*Auxiliary transmission and B. K. brake booster standard at no extra charge

All prices at the factory, Walkerville, Ont. Bumpers, spare tire and gov't taxes extra

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Studebaker's new service policy provides replacement of defective parts, free of labor or material charge against the owner, for a period of 90 days or 4000 miles from date of purchase, regardless of where the truck was purchased. Every Studebaker truck dealer in Canada has agreed to furnish free inspection every 30 days or each 1000 miles during the life of the truck. Three free lubrication and adjustment services, one each month during the first 3 months of ownership, are furnished gratis by the dealer selling the truck.

STUDEBAKER TRUCKS

Current Events in Banking World

SAYS BANK "RUN" WORK OF ENEMIES OF GOVERNMENT

Premier Bracken Says Dominion Declined Opportunity to Assist

That the heavy withdrawals leading up to the closing of the Manitoba Savings Office were inspired by enemies of the Government was definitely charged by Premier Bracken in the course of the debate on the reply to the speech from the throne in the Manitoba house. Underlying this charge is the fact that elections are due, under the five-year rule, about July this year.

Referring to the suggestion that the Dominion Government could have saved the institution, Mr. Bracken acknowledged that this was so, the chartered banks having offered to put up the money to meet the withdrawals on condition that such advances were guaranteed by the Dominion. While this guarantee was refused, he did not hold it against Mr. Bennett, who had no legal responsibility in the matter.

Not a Bank

Prefacing his remarks with the statement that the savings office was not a bank and that the province never had the power to carry on the business of banking, Premier Bracken said that the institution was a place to receive demand deposits, these to be invested in long-term securities, chiefly for the purpose of the provincial government. The institution was always subject to the risk of withdrawals. It was not framed to meet the emergency crisis, he said, continuing:

"Its enemies, whoever they were, took advantage of a situation when the banks had refused to lend further and when the market for the province's bonds, as indeed the market for all bonds, was at the lowest point in recent history. Its enemies took advantage of the situation to bring about withdrawals, hoping thus to embarrass either the office itself or the government or both.

"The alternatives before the government were to refuse to protect the depositors' interests, and thus tie up their deposits indefinitely while it sold bonds at a high interest rate to meet their demands, or to make the arrangements that have been made which protected the depositors' interests at the least cost to the government.

"The suggestion has been made that Mr. Bennett could have saved the institution . . . . It is true he had the opportunity to assist it. If his decision not to do so was against the public interest, to that extent, and to that extent only, he will have to answer to the public.

"To be fair to the banks—and I hold no brief for them whatever, and it will be admitted by them, as well as by the public, that they don't like government savings offices—to be fair to them, however, they did not seek to take over the obligations of the office to the depositors. They offered to put up all the money that was necessary, provided it were guaranteed by the Dominion. When this proposal was found to be unacceptable to the Dominion the banks offered to take over the office on the general lines which have been announced."

Further details concerning the closing of the Manitoba Savings Bank and transfer to the chartered banks of some 40,000 accounts, reveal that the securities held by the savings bank were turned over to the banks as collateral, the province guaranteeing them against loss.

The savings office liabilities to the public at the end of the last fiscal year were $15,022,627, for the most part depositors' accounts which totalled $14,691,000. The other amounts were outstanding savings certificates, $58,627; and reserve account of $273,000. At April 30, 1931, there was no outstanding bank loan.

When the actual transfer took place this situation had substantially changed. There had been heavy withdrawals in November for investment in the national service loan and at that time a bank loan of $1,000,000 was arranged and secured by issue of a $1,000,000 treasury bill.

As withdrawals increased the liability to the banks increased correspondingly and when the office closed the advances from the bank were practically $2,000,000.

The bank had been secured by collateral hypothecated early in the year. This collateral included some of the bonds held by the savings bank which were backed by Dominion Government guarantee.

The advances from the bank were used entirely to pay the accounts of depositors. Thus, although the liability to the banks was increased, this was offset by a decrease in the liability to the depositors.

In the main the securities held by the savings office were those of the province. In the last annual report tabled in the House these were listed as follows:

Advances to the prov. treasurer	$350,208
Province of Manitoba exchequer bonds	7,008,000
Dom. of Canada refund. loan bds.	70,966
Prov. and munic. registered stk., bonds and debs., par value at time of their last annual report	3,327,289
City of Winnipeg registered stk. and bonds	486,182
Can. Nat. Railways—Bonds and registered stock guaranteed	1,945,354
Prov. of Manitoba farm loan bds.	2,117,413
Total	$15,503,081

Unfolds Simple Story of Foreign Exchange

Bank of Montreal Expert Explains for Laymen the Inner Workings of Important Modern Function

By R. E. KNIGHT

Manager, Foreign Exchange Department, Bank of Montreal

Part 1 of address given before Canadian Credit Men's Trust Association, Montreal

Prior to the Great War, when gold was immediately available to extinguish any adverse balance of trade, foreign exchange, while playing an important part in the world's commerce, did not occupy the prominent position that it does today.

With gold as a restraining influence, since it could be readily exported, fluctuations in rates were so minute that they were not a factor of risk which merchants need consider.

The cost of shipping gold from Great Britain to New York was slightly over one cent per pound sterling, and the cost of shipping gold from New York to Montreal was 5/64 per cent. Therefore, with the gold par of exchange 4.86 2/3, the rates between London and New York could be held between 4.85 and 4.88 and between Montreal and New York, between 5/64 per cent premium and 5/64 per cent discount.

Fluctuations Very Small

Even these fluctuations were extreme, as, usually before gold points were reached, pressure would be relieved by increasing or decreasing interest rates, with the consequent attraction or repulsion of capital. In the Eastern countries with a silver standard, fluctuations were a little harder to control, but the price of silver was reasonably stable and the exchange fluctuations were not out of proportion to the profit realized by merchants in trading with these countries.

The enormous inflation of credit and the issue of inconvertible paper money, necessitated, in the first place, by expenditures occasioned by the war, but subsequently extended without any such excuse, has compelled the abandonment of gold exports by half the countries of the world, and, as a result, foreign exchange has now become one of the most powerful influences affecting commerce, and the business of dealing in foreign exchange has broadened to such an extent that practically every bank in the universe has been obliged to enter the field.

Little Pre-War Interest

Prior to the war, the London joint stock banks and the New York banks were not greatly interested in foreign exchange, but treated it as a side-line and left the field more or less to foreign banks and private individuals. Now these banks, both in London and New York have foreign departments, so large that often they have to be housed in a separate building.

Until quite recently, London was the recognized financial centre of the world, and sterling bills were universally accepted; in fact, a few years ago, it was a common thing for foreigners in Canada to remit funds to their relations at home by means of sterling drafts. Particularly was this the case with the Greeks, who could always obtain a favorable rate of exchange on such drafts in their own country. London's present methods in foreign exchange may, therefore, be taken as a fair example.

Great Britain's visible trade balance has been adverse for many years past, but the income from foreign loans and services to foreign countries, such as shipping and insurance, making up the invisible favorable balance, have more than offset, so that money has been reinvested abroad continuously until last year. Unfortunately, the excess in 1930 was invested in short-term loans in Germany, and is now tied up.

For 1931, it is estimated that Britain had an adverse trade balance of £400,000,000 which was only partially offset by invisible items, because of the sharp decrease in shipping and the interest on foreign balances. In consequence of this unfavorable balance, the selling pressure on sterling, or rather, the demand for foreign currencies in London has been increased without any corresponding increase in the supply.

Also, London was, until recently, looked upon as the safest depository for wealth and has held large sums which were the property of foreigners. The uneasiness abroad, caused by England's adverse balance, resulted in the withdrawal of balances by foreigners, thus creating a further demand for foreign funds. The result is that gold shipments have been abandoned, and sterling has depreciated to the extent of 30 per cent within five months.

How Exchange Operates

With regard to the day-to-day trading, neither in London nor New York is there a place of meeting corresponding to the stock exchange. The traders are mostly composed of bankers and exchange brokers. The usual function of the broker is to act as an intermediary between the buyer and seller, but many of the London brokers are men of wealth, who at times buy for their own account, when they think there is a reasonably safe opportunity for profit in taking a position either "long" or "short." The "short" position may be taken by selling 30-days' or 60-days' sight bills, or even cheques on foreign parts, and covering by remitting cables before payment has to be made, also by operations in "futures," which I shall explain later. The bankers operate direct with each other, or through a broker, as it suits them.

Owing to the difference in time, New York is closed when London opens. London will take as the basis of its opening quotations the previous day's close in New York, reconciling, say, the rate for francs in New York, of 3.93 cents per franc, to the corresponding rate for francs in London, of 87 francs per pound, but, if there is any anticipated tendency, due allowance will be made in the opening bids or offers.

Once sales are made, the market takes care of itself, being determined from that point by demand and supply, and prices will rise or fall rapidly, or otherwise, according to the pressure of these two forces.

The banks and the brokers are in close touch with other markets, such as, New York, Paris, Berlin and Amsterdam, and are always on the lookout for any fluctuations which will enable them to make a profit by "arbitrage." For example: If the rate for francs in London is out of line with the rate for sterling in Paris, it may be possible to make a profit by selling francs in London and at the same time selling the equivalent sterling in Paris, and often these "arbitrage" transactions will involve three or four countries at one time.

The remainder of Mr. Knight's article will appear in subsequent issues of The Financial Post.

Western Editors Query Savings Bank Closing

Winnipeg Free Press: The circumstances which led up to the closure (of the Manitoba Provincial Savings Office) is a matter still for public consideration ... the public will want to know why it is that when the structure and assets of the savings office are apparently perfectly sound, the government should appear to have had no alternative but to close up the savings office, dismiss the staff, and deprive the people of Manitoba of a highly-valued and desirable provincial financial institution; no alternative, that is to say, other than facing a run on the savings office which might very well have had the most injurious consequences both for Manitoba and the whole country.

Quite patently, the savings office was not turned over to the banks without a struggle being made by the provincial government to retain it. And the inference from such an assumption would be that the banks took up a rigid position into which nothing entered that might have caused them to modify their attitude.

Obviously the Federal Government, to which Mr. Bracken does not refer in his statement on the closing of the savings office, declined to intervene with the banks on behalf of the Province of Manitoba, and if this is the case, there will be some very pertinent questions for the Federal Government to answer in due course.

What the people see is that, by one means or another, a further concentration of banking power has taken place, and that some $15,000,000 of securities and more than 40,000 individual accounts have passed over to the chartered banks. There has always been strong dislike in western Canada of the increasing concentration of Canadian banking, and if the details of the closing of the Manitoba Savings Office can be brought out, the public may have decided ideas regarding the proceedings which led to what has taken place.

Winnipeg Tribune: Everyone must realize that the credit of Manitoba and the credit of Canada were injured by the closing of the Provincial Savings Office here on Friday. Manitoba's credit is sound. Yet both were given a black eye. The news of the closing of the Provincial Savings Office will be published all over the world, and the explanation that this was not a bank, that its securities were perfectly good and the only trouble was a lack of ready cash, will never reach millions of people who will only learn that a Canadian bank with government backing closed its doors.

Was it necessary? Some one will have to do a lot of explaining to convince the people of Manitoba that it was. Relatively small support or even assurance of support would have enabled Mr. Bracken to assure the public of adequate liquid assets to take care of all comers. If that assurance had been forthcoming the stream of withdrawals would have dried up immediately. Mr. Bracken could not give that assurance without the co-operation of the Dominion government. That co-operation was not available. Why?

Manitoba, and Canada, are carrying this financial black eye for no good reason.

Brandon Sun: Premier Bracken's excuses for ending the provincial savings bank fiasco are too thin. As his party was well warned twelve years ago, the banking system the government sought to establish was unsound.

Moreover, Premier Bracken's explanations in his friendly and advisory press of the cause of his banking failure or the paper securities the government holds for the deposits must be matters for more open and more serious consideration in the legislative assembly. Honest representatives will want to be shown proof that the assets or securities held by the province are as good as the premier declares they are in his newspaper pronouncement.

Manitobans will want to know who is to lose on the provincial savings bank failure, how much, why and how. The closing of the Manitoba bank offices does not close this matter by any means and it may be that the worst is yet to come. The people should be told the truth.

DOMINION NOTE ISSUE REDUCED

$8,500,000 Withdrawn During February; $2,167,074 Gold Released

Total Dominion notes in circulation as at February 29 amounted to $161,896,199 as compared with $170,382,806 at the end of the previous month, according to the "Circulation and Specie" report issued by the department of finance. This total is made up of $26,000,000 issued under the Dominion Notes Act of 1915 against specific railroad and governmental securities; $36,500,000 issued under the Finance Act against any acceptable securities; and $99,396,199 issued under the Dominion Notes Act, 1927, against which gold is required to be held as follows: 25 per cent of the first $50,000,000 and thereafter dollar for dollar.

Actual holdings of gold by the minister of finance amounted to $64,626,265, which is $2,730,066 in excess of the statutory requirements. A decline of $2,167,074 is noted in this surplus since the end of January.

The most important change during the month was the withdrawal of notes issued under the Finance Act, a decline from $45,000,000 to $36,500,000 being recorded, this following the normal course after the expansion at the year-end. The amount of notes issued under the other heads remain practically unchanged.

Weekly Bank Clearings

Eastern Cities

	Mar. 12, 1931	Mar. 10, 1932
Halifax	$ 2,611,294	$ 2,155,858
Saint John	1,972,050	1,583,509
Moncton	593,815	566,889
Sherbrooke	817,114	574,769
Quebec	6,344,488	3,825,583
Montreal	114,262,235	75,600,565
Ottawa	5,255,739	4,788,733
Kingston	530,247	493,921
Peterboro'	727,233	574,620
Toronto	97,903,781	73,961,598
Hamilton	4,571,523	3,692,542
Kitchener	1,007,120	661,457
Brantford	853,461	709,892
London	2,568,529	2,412,573
Chatham	486,647	470,585
Sarnia	484,470	407,857
Sudbury	688,083	461,352
Windsor	4,363,631	2,100,573

Western Cities

	Mar. 12, 1931	Mar. 10, 1932
Fort William	$ 604,890	$ 487,402
Winnipeg	26,494,593	25,473,862
Brandon	379,715	322,683
Regina	2,971,624	2,872,965
Moose Jaw	652,342	506,852
Saskatoon	1,498,462	1,290,223
Prince Albert	332,916	236,036
Edmonton	3,636,199	3,730,523
Calgary	5,716,495	4,536,729
Medicine Hat	178,424	156,735
Lethbridge	325,133	292,581
New Westminster	601,190	447,917
Vancouver	14,323,605	11,295,101
Victoria	1,798,060	1,433,448

BRITISH AMERICA WITHIN 2 YEARS OF CENTURY MARK

Small Underwriting Profit Offset by Writing Down Investments

An underwriting profit of $19,210 is reported by British America Assurance Co. in its 98th annual report submitted at the company's annual meeting last week. Net premiums written were $2,819,268 while net losses were $1,669,144 and expenses $1,319,987. A year ago the company's premium income was $3,012,343 and underwriting profit was $127,000.

Analysis of the company's business shows that underwriting profit was made in both fire and marine branches which more than offset a loss on casualty business. Fire premiums totalled $2,137,295 with losses of $1,247,800 leaving a net underwriting profit after adjustment of reserves, of $35,835. Marine premiums were $74,864 with losses of $40,832 leaving a profit of $5,393. Casualty premiums totalled $607,109 and losses $355,511 causing an underwriting loss of $22,019.

Special Reserves Set Up

Adding income from interest and dividends of $206,800 to underwriting profit, the company, after deducting loss on sale of and maturity of securities of $149,878, and other sundry items showed a total operating profit for the year of $44,445. Against this however the company set aside $112,809 to write down securities to valuations prescribed by the Federal Government and also set aside from profit and loss account, $450,000 as a special security contingency reserve. Accordingly the balance at the credit of profit and loss which was $2,014,524 at the beginning of the year now amounts to $1,496,160 or a decline of $518,364.

Total assets are shown at $4,821,000 as compared with $5,146,829 a year ago. Reserves for unearned premiums on the basis of the Canadian Government standard are shown at $1,818,033 as compared with $1,944,452 a year ago.

The company's chief investment is common stocks taken in at $1,797,108 while government bonds are shown at $772,037, corporation bonds at $555,543, and preferred stock holdings, $421,754. On the basis of Canadian government reserves the company shows a surplus above all liabilities to policyholders of $2,202,455.

FIRE LOSSES IN N. B. $4,222,000 IN 1931

Waterfront Conflagration Boosts Total for Past Year

New Brunswick fire loss for 1931 amounted to $4,222,349 as compared with $1,942,885 a year ago, according to the annual report of the New Brunswick Fire Prevention Board issued this week. There were 948 fires as compared with 1,000 a year ago, the biggest loss being, of course, in the west side waterfront fire in June which caused damage of $2,741,881.

There were 12 fatalities due to fire during the year. The amount of loss covered by insurance was $1,696,870.

Analysis of total fire loss by causes, reveals that by far the greatest loss was from fires of unknown origin, there being during the year 180 fires with a total loss of $3,337,217 for which no cause could be ascertained. Over 260 fires with a total loss of nearly $270,000 were caused by stoves, furnaces or overheated or defective flues and chimneys. Some 55 fires with a loss of $145,000 were caused by electricity.

A recapitulation of the province's fire losses over the past ten years reveals that mercantile stores have been the heaviest sufferers from fire in that period. The analysis is as follows:

Fire Loss in New Brunswick (1922-31 incl.)

	No. Fires	Property Loss	Insurance Loss
		(000's omitted)	
Dwellings, farm	1,880	$2,733	$1,520
Dwellings not farm	5,316	3,866	2,727
Mercantile stores	972	5,082	3,978
Manufac. & special	173	1,157	787
Manufac. lumber	85	976	909
Sawmills	102	1,175	838
Schools, colleges, hospitals, libraries	71	473	325
Churches	110	502	244
Hotels & boarding houses	153	387	258
Offices & bank bldgs.	64	329	224
All other classes	578	4,265	1,733
	9,504	$20,895	$13,543

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
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Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
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BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

Editorials that inform
Have you read them this week on page 6?

Strength - Stability - Service
Assurances In Force (Dec. 31, 1931)...$513,379,937.00
Assets $125,848,128.74
Surplus Funds and Contingency Reserves $12,412,836.25
MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.
Mutual Life of Canada
Established 1869
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

Established 1884 Dominion License
Surplus Cash Assets $639,023.25
Total Surplus Assets $1,446,771.42
THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
Issuing Non-Assessable Policies
FIRE
AUTOMOBILE
PLATE GLASS
BURGLARY
AND OTHER LINES
HEAD OFFICE - PORTAGE LA PRAIRIE
Branch Offices:
TORONTO, Ont. - VANCOUVER, B.C. - EDMONTON, Alta. - MONTREAL, Que.

Insurance for Buyer and Seller

WESTERN SHOWS LOSS OF $51,618 IN UNDERWRITING

Eighty-First Annual Report Finds Company Faced Hard Year

Net premiums written of $4,482,848 in 1931 as compared with $4,898,846 in 1930 are reported by Western Assurance Co. in its 81st annual report submitted to shareholders at the annual meeting last week. Net losses amounted to $2,946,870 and general expenses (including adjustment of reserve cost) to $1,913,479 giving a net underwriting loss of $51,618. Against this the company reports revenue from interest and dividends of $327,238, less $79,930 for loss on sale and maturity of securities, giving a net operating profit for the year of $206,541.

From this the company paid out $146,000 in dividends leaving a balance of $60,541 to be credited to profit and loss account which stood at the end of 1930 at $2,918,451. However in order to bring the company's securities to the values allowed by the federal superintendent of insurance an appropriation of $194,217 was made and in addition $500,000 was carried to a special contingency reserve to take care of any further write-offs which may be necessary in the future. Accordingly profit and loss account at the end of 1931 is lower by $633,676 at $2,284,775.

Analysis of the company's individual underwriting accounts reveals that the company made a small underwriting profit in its fire branch, premiums being $2,636,452 and losses $1,618,384, which after deduction of all expenses and adjustment of unearned reserves, left an underwriting profit of $5,026. Casualty account reported premiums of $731,123 and losses of $435,989 and showed a net underwriting loss of $31,675. Marine branch reported premiums of $1,115,273 with losses of $892,497 leaving an net underwriting loss of $24,969.

Total assets at the end of the year amounted to $8,270,289 as compared with $8,555,082 a year ago, reserves for unearned premiums on the Canadian Government basis being $2,628,270 as compared with $2,890,398 a year ago. Using this basis the company reports a surplus to policyholders above all liabilities of $3,484,516.

Comment is made in the report of the company's directors concerning the appointment during the year of E. A. Brownell as president and managing director of the company and the appointment to the board of W. E. Meikle, of Winnipeg. Mr. Brownell was formerly the company's manager in Australia.

Licenses Issued

Department of Insurance, Ottawa, announce the following licenses issued:

Great American Insurance Co. — Insurance against loss of or damage to an aircraft, in addition to the classes for which it is already licensed.

Great American Indemnity Co. — Aviation insurance, excluding insurance against loss of or damage to an aircraft by fire or transportation, in addition to the classes for which it is already licensed.

New Hampshire Fire Insurance Co. —Automobile insurance, excluding insurance against loss by reason of bodily injury to the person, for which it is already licensed.

Pennsylvania Lumbermen's Mutual Fire Company has been authorized to transact in Ontario the business of fire, hail, property, and weather insurance for term ending June 30.

Insurance Inklings

VANCOUVER'S FIRE LOSS for 1931 was $471,000 of which amount $377,000 was covered by insurance. This record is said to be unsurpassed by any other city on the continent in view of the fact that although buildings valued at $50,000,000 have been constructed during the past three years, the fire fighting force has not been augmented.

HARRY D. WRIGHT, general manager of the Metropolitan Life in Canada addressed Life Underwriters' Association of Toronto on March 17, on "Present-Day Opportunities for the Life Underwriter."

G. INNES MACKENZIE has opened a general insurance agency under his own name at Winnipeg. He will represent the Prudential Assurance Co. of England to transact fire and casualty insurance and also Travelers Fire Insurance Co. of Hartford.

LIFE INSURANCE MANAGERS ASSOCIATION held their third annual meeting at Montreal last week. John Carreau of Crown Life was elected president, C. E. Young, Canada Life, vice-president, F. W. Benn, Confederation Life, treasurer. Percy Douglas of Prudential of America, and J. T. Bourgeois of Capital Life were elected directors. The association represents Montreal managers of various life insurance companies.

J. DARLEY LeMOINE has been appointed manager of the Philips Square branch of the North American Life at Montreal. He was formerly with Travelers Insurance Co. as manager for western Canada and more recently with W. C. Pitfield & Co., investment bankers.

Continental Life has appointed H. V. SHAW as city manager of its Edmonton, Alberta, agency.

A. FORBES KNIGHT has opened a new agency for the Continental Life Insurance Co. of Toronto, at North Bay.

CAN. INDEMNITY IN ACCIDENT FIELD

Announces Three New Policies in New Underwriting Venture

Three new accident insurance policies are announced this week by Canadian Indemnity Co., of Winnipeg, as this company's initial offering in this branch of casualty insurance which it is now underwriting for the first time.

The three plans being written are as follows:

(1) This policy includes double indemnity, surgical operation benefits, hospital expenses, medical fees, quarantine and identification. It is noncancellable and the principal sum and weekly indemnities are increased 10 per cent each year for five years, without any additional premium being charged.

This policy is written at a premium of $20 for $5,000 principal sum with $25 weekly indemnity, (select and preferred classes). Other amounts are written for a proportionate premium.

(2) In this policy the principal sum is fully accumulated, that is, a $1,000 policy is written for $1,500 at commencement of term instead of waiting the five years to accumulate. It pays weekly compensation for, (1) total or partial disability plus, (2) surgical fees plus, (3) hospital charges, (4) nursing expenses.

(3) A straight accident policy with graded amounts for death and dismemberment, indemnity for loss of time, elective benefits for certain injuries and compensation for non-disabling injuries.

Fire Loss in Ontario for January $1,044,187

There were 1,156 fires in Ontario in January involving an insurance loss of $1,044,187, according to the monthly report issued by the Ontario Fire Marshal. The number is 23 less than in January a year ago, but the loss is $38,452 higher.

Stores led other classes of risk in the amount of loss with $580,458, but of this $350,000 is attributable to one fire in London, Ont., the balance **being distributed over 97 other stores.**

FIRE PREVENTION GAINS REWARDS FOR CITIES, TOWNS

Many Municipalities Make Good Showing Toward Reducing Losses

Over forty towns and cities throughout Canada have been given awards in the annual inter-city fire prevention competition sponsored by National Fire Protection Association. Awards are made in each province on the basis of educational activities carried on by municipalities each year during fire prevention week which falls the second week in October.

George F. Lewis, deputy chairman of Ontario was chairman of the Canadian committee appointed to review the reports submitted by the different municipalities. T. Alfred Fleming, director of conservation of the National Board of Fire Underwriters of New York City, was chairman of the international committee sponsoring the contest in municipalities throughout Canada and the United States.

Winning Cities Listed

Winning municipalities in Canada are as follows:

Class "A" (Cities with population of 100,000 and over).

British Columbia — Winning city, Vancouver.

Manitoba—Winning city, Winnipeg.

Ontario — Winning cities, Ottawa 1st, Toronto 2nd, Hamilton 3rd.

Quebec—Winning city, Quebec.

Class "B" (Cities with population of 25,000 to 99,000):

Alberta—Winning cities, Edmonton 1st, Calgary 2nd.

British Columbia — Winning city, Victoria.

Nova Scotia—Winning city, Sidney.

Ontario—Winning cities, Kitchener 1st, London 2nd, Fort William 3rd.

Quebec—Winning cities, Outremont 1st, Westmount 2nd.

Saskatchewan—Winning cities, Saskatoon 1st, Regina 2nd.

Class "C" (Cities with population of less than 25,000):

Alberta—Winning city, Lethbridge.

British Columbia—Winning cities, Nelson 1st, N. Vancouver 2nd, Rossland 3rd. Honorable mention, Prince George.

Manitoba—Winning city, St. Boniface.

Nova Scotia—Winning cities, Sydney Mines 1st, Yarmouth 2nd, Amherst 3rd.

Ontario—Winning cities, Kenora 1st Galt 2nd, Oshawa 3rd. Honorable mention, St. Thomas, Welland, Sudbury, Peterborough.

Quebec—Winning cities, Joliette 1st, Lachine 2nd, Valleyfield 3rd. Honorable mention, Shawinigan Falls, Victoriaville, Jonouiere, St. Jerome, Magog.

Saskatchewan — Winning cities, Prince Albert 1st, N. Battleford 2nd, Swift Current 3rd.

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ESTABLISHED A·D·1851

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Life Assurance Company
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701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
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F. N. BURT EARNED $2.62 ON COMMON, PAID USUAL $3.00

Dipped Into Surplus Accumulated for 22 Years; Finances Strengthened

With the year's shipments 11 per cent under those of 1930 and in the face of "irresponsible price cutting," F. N. Burt Co. had net earnings of $286,786 available for dividends as compared with $346,808 in 1930. This was equivalent to $460 a share on the 623 remaining shares of $100 par preferred stock and $2.62 a share on 107,508 shares of $25 par value common stock.

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings	532,161	592,559
Less: Deprec.	188,776	188,529
Federal taxes	33,000	34,000
Patent amort.	23,599	23,222
Net profit	286,786	346,808
Less appropriations:		
Pref. divds.	4,586	4,798
Com. divds.	322,137	321,774
Surplus for year	*39,937	20,236
Add: Prev. surplus	1,186,848	1,166,612
Bal. carr. forward	1,146,911	1,186,848

*Debit.

Expenses Sharply Reduced

S. J. Moore, president, states in report to shareholders that expenses in all departments have been substantially reduced and operating efficiency further improved. During the previous 22 years of the company's existence the average annual addition to surplus was $73,550. The directors, therefore, "felt quite justified in drawing upon surplus in 1931 to the extent of $39,938 in order to maintain the dividend rate of $3 a share."

Current assets are 7.36 times current liabilities as compared with 5.81 times a year earlier. Cash on hand at $504,242 is twice the amount of all indebtedness, including dividends and tax reserve. Investments in other companies are carried at less than market prices.

Working Capital

	1931	1930
	$	$
Current assets	1,577,354	1,500,268
Current liab.	214,118	258,436
Working capital	1,363,236	1,241,832
Ratio	7.36—1	5.81—1

Inventories came down during the depreciation in market value and receivables from $377,448 to $258,332. Cash at $504,242 had increased from $277,862. A balance of sale price of the paper cup department is shown at $50,000 against $100,000 a year earlier. Accounts payable dropped from $117,903 to $97,038 and reserve for federal taxes from $58,883 to $35,360.

Fixed assets dropped from $2,082,007 to $2,042,323. Machinery and equipment advanced during the year from $2,255,755 to $2,378,241, but this was more than wiped out by the increase in the reserve for depreciation from $1,799,345 to $1,964,065.

CANADA RANKS HIGH IN DEPOSIT VOLUME

Bank of Montreal Ranks Thirteenth Among Anglo-Saxon Banks

A list of 150 American and British Empire banks having the largest volume of deposits shows that the Bank of Montreal and the Royal Bank of Canada rank thirteenth and fourteenth respectively, preceded by six English and six United States' institutions. The Canadian Bank of Commerce takes seventeenth place. The list is published by California Bank, of Los Angeles.

First on the list is the Midland Bank, of London, with deposits—converted at par of exchange—totalling $1,753,144,449. Barclay's Bank Ltd. and Lloyd's follow with about $120,000,000 less, Chase National Bank coming fourth with $1,459,115,000. The Bank of England is tenth with $849,065,000. Bank of Montreal deposits total $669,047,251, Royal Bank have $664,795,718 and Bank of Commerce are shown with $525,550,646.

Analysis of the list shows that out of the 150 banks, which have a combined total of deposits amounting to 38½ billion dollars, 59 British Empire banks account for 18½ billion dollars while 91 American banks hold slightly over 20 billion dollars in deposits. In addition to the 150 banks listed there are in the English-speaking world approximately 23,000 smaller banks, the great majority of which are U. S. concerns.

It is interesting that Barclay's Bank (Dominion, Colonial & Overseas), of which Canadian Barclays forms a part, ranks 27th.

The first 20 banks are as follows:

		Deposits in dollars
1.	Midland Bank Ltd., London	$1,753,144,449
2.	Barclays Bank Ltd., London	1,633,027,773
3.	Lloyds Bank Ltd., London	1,624,123,591
4.	Chase National Bank, New York	1,459,114,886
5.	National City Bank, New York	1,418,702,860
6.	Westminster Bank Ltd., London	1,325,662,300
7.	National Provincial Bank Ltd., London	1,274,660,635
8.	Federal Reserve Bank, New York	1,175,134,000
9.	Guaranty Trust Company, New York	1,070,021,916
10.	Bank of England, London	849,065,899
11.	Continental Illinois Bank & Trust Co., Chicago	773,437,525
12.	Bank of America National Trust & Savings Assn., San Francisco	749,796,772
13.	Bank of Montreal, Montreal	669,047,251
14.	Royal Bank of Canada, Montreal	664,795,718
15.	Central Hanover Bank & Trust Co., New York	608,191,909
16.	Bankers Trust Company, New York	558,086,407
17.	Canadian Bank of Commerce, Toronto	525,550,646
18.	First Peoples Wayne County Bank, Detroit	483,910,638
19.	Security-First National Bank, Los Angeles	479,012,864
20.	First National Bank, Boston	476,989,412

Building Products Sales in March May Increase

From Our Own Correspondent

MONTREAL.—Building Products' March sales will be above the total for the corresponding month of 1931. W. R. McNeil, vice-president and managing director of the company, explained this situation to shareholders at the annual meeting, pointing out that the company, during the winter, withdrew the inducement which had been offered in previous years to encourage business during January and February. This factor would be reflected in increased marked business.

Reports and statements were adopted and the directorate was re-elected without change.

BEAUHARNOIS CRISIS PRODUCT OF POLITICS

(Continued from page 1)

poses, while under the second the Government assumed ownership of the canal and most of the land, although all the expenses for some years yet and half of it thereafter would be charged against the company.

To the lay mind the differences may seem more legal than practical and in the event of the successful completion of the enterprise they probably would not be important. But for a company wishing to sell first mortgage bonds, secured by definite collateral, the differences are rather important. In any event this recent order-in-council will probably have the effect of making it difficult for the company to get either unguaranteed banking advances or funds through the sale of bonds.

Beauharnois Should Now Be Completed

From his refusal to entertain further guarantees the prime minister relented sufficiently to guarantee an advance which paid, on a recent Monday, wages due the previous Saturday. Nevertheless, affairs of the company have for some weeks been distinctly at a crisis and as this is written they are balanced perilously on the edge of an abyss—a deep abyss. Wages, payments for supplies, and debenture interest are falling due and there is no money in sight to pay them.

It will be generally admitted by the Canadian people that, whatever has gone before, it is desirable in the national interest that the Beauharnois enterprise, in which over $40,000,000 of the people's savings has already been invested, should be speeded to completion by October 1 next in order that contracts for the delivery of power as of that date should come into force and be saved. The alternative is the throwing of hundreds of men out of work, the probable cancellation of the power contracts, and the abandonment of the entire project to the elements of climatic and corporate destruction, in which case the debenture holders would probably be wiped out, the banks and the equipment companies would be heavy losers, the Government would be out to the extent of its guarantees.

It may be argued that in the national interest this is just what would happen. This would presuppose that Beauharnois was an uneconomic enterprise that should never have been begun. In this connection it might also be argued that while the Government would lose under its guarantees it would at least be the owner of a fine ship canal as part of the St. Lawrence Seaway if that project is later proceeded with. Thus the only people who are at all likely to salvage anything from a complete break-up are the Government and possibly those who have contracted for the power and who might, under present industrial conditions, be glad to be out from under their contracts.

Cursed by Politics and Politicians

The Financial Post feels however that the majority of the business men and public-spirited citizens of Canada want Beauharnois to come to no such catastrophic end. The enterprise should be completed and whatever the politicians have done to mess up the affairs of the company so that completion is endangered should be undone, due regard, of course, being had for public interests.

Beauharnois has been cursed by politics from the start. It is generally felt that the proposition was a good one from the engineering and business standpoint. But when the promoters involved themselves, as they did, in politics, and when politicians and men in public service jumped in to collect heavy rake-offs, and when politicians took a hand in telling the company how to run its affairs they raised the whirlwind that has almost swept the enterprise into destruction.

The politics in Beauharnois did not stop with large donations to party campaign funds that outraged the public's feelings and provided an opportunity for the hypocrites in politics, who have themselves solicited and received substantial campaign fund contributions, to reap a momentary advantage for themselves regardless of public interest.

It was politics that kept Beauharnois out of the hands of the logical successor of the original group—the Holt power interests, or some similar good group.

It was politics that gave the enterprise the hypodermic of Government guarantees and then cut off the stimulant when it was most needed.

Unable Now to Finance on its Own

Having dallied with Beauharnois for nearly a year and prevented its reorganization at the hands of capable business men and financiers the Government now wants to throw the enterprise on its own resources. Those resources are non-existent simply because of the political management of its affairs in the past year. Having gone so far it is essential that the Government go farther.

Beauharnois cannot save itself now. The Government has made that much certain by several months of blundering.

Mr. Bennett, The Financial Post understands, has suggested to the banks that they organize a syndicate of the four leading power companies of Quebec province to take over the enterprise. Two at least of these companies could not now finance their share of the syndicate. This solution is not promising. Whether Montreal Power would be willing to assume responsibility for completion of Beauharnois, The Financial Post does not know. It feels, however, that Montreal Power would do the job if the terms were right. Those terms would probably involve either a new order-in-council and a continuance of at least the present guarantees. In any event, if Montreal Power or other interests now take over Beauharnois the debenture holders must count on having their securities written down.

Assuming that no suitable deal can be made with Montreal Power, an alternative must be found. One would be for the Government to continue to guarantee bank advances until the enterprise is completed and until bonds can be sold to reimburse the banks, thus relieving the Government of its guarantees. While the bank guarantees were wrong in the first place—and were unnecessary if the proposition had been handled non-politically—they are essential now. The Government has involved itself in these guarantees and to save Beauharnois and to save its own position must continue them. The banks cannot be expected to make further advances to this politics-cursed enterprise without such guarantees. They are merely trustees for the people's savings.

Public and Investors Want to Know Facts

The people of Canada are entitled to a plain, straight-forward account from the prime minister of Canada of the exact record of the Government's relationship with Beauharnois financing during the past year.

The people of Canada, desirous of seing this great construction enterprise completed, are entitled to such an immediate statement of Government policy toward Beauharnois, and they would like that policy to be one that will ensure that the political mismanagement of the affair during the past year will not be allowed to wreck the enterprise.

Investors are entitled also to a statement from the prime minister as to the exact meaning of the statement he made on July 31 last year regarding the protection of legitimate investors in the enterprise.

Canada's railway problem today is the result of political bond guarantees, made in the pre-war years. With all our railway history behind it the Government has duplicated the past mistakes in the Beauharnois enterprise, but then at the last minute, when its blocking of the logical avenues of escape and its first guarantees committed it to a policy, it has attempted to withdraw. Further delay in solving the Beauharnois problem will involve the Government in a choice between two things: Government ownership, which would mean assumption of the present $50,000,000 of obligations plus millions more and which may be legally impossible, or complete wreckage of the Beauharnois scheme. It would be a difficult choice to make.

Where does Ottawa stand on Beauharnois? Will the Government see Beauharnois through or will it allow it to be wrecked on the rocks placed on the course by the Government itself? That is what the people of Canada want to know and are entitled to know now.

BUSINESS FAILURES HIGH IN JANUARY

Always a Big Month, Liabilities Top January, 1931

Commercial failures in January numbered 238 as compared with 196 in December and 240 in January, 1931. Liabilities of assignors showed a considerable increase over the December figure, being $4,060,643 as against $2,957,235. The liabilities during January, 1931, were $3,970,679. It is pointed out that January has usually been the heaviest month of the year for assignments.

Trading establishments furnished the largest number of failures with 121, the same figure as for January, 1931, comparing with 101 in December. Among these general, clothing and grocery stores were most prominent. Under "manufactures" 44 failures were recorded, this being 5 more than in the previous month, but 4 less than in the same month a year ago. Clothing manufacturing was the hardest hit.

Ontario suffered more than other areas with 91 bankruptcies, this comparing with 82 in Quebec, 35 in the prairie provinces, and 15 each in British Columbia and the maritimes.

Asbestos Corp. Troubles Shown By Shipments

From Our Own Correspondent

MONTREAL.—Further reductions in shipments of asbestos during February throw light on difficulties surrounding Asbestos Corp. Shipments of crude No. 1 in Feb., 1932, totalled 3 tons compared with 8 in the same period in 1931, and 81 tons in 1930. Shipments of crude No. 2 were down to 10 tons from 29 tons in February, 1931, and 105 tons in the same month in 1930.

Fibre shipments in February were 2,237 tons against 4,221 tons in the same month in 1931 and shorts in bags at 2,343, were down from 3,397 tons.

Flour Exports Continue Decline From Last Year

From Our Own Correspondent

MONTREAL.—Further decline in exports of flour from Canada were reported in February, exports totalling 337,513 barrels compared with 414,773 barrels in the same month in the previous year. Values declined from $1,554,400 to $1,184,085.

In the first seven months of the current crop year to February 29, 1932, total exports of flour were 3,234,318 barrels. This compared with 4,376,466 barrels in the corresponding period of the previous year, a decline of 1,142,149 barrels. Values in the same period dropped from $19,268,634 to $11,154,194.

Distillery Products, 1930, Down 43 p.c. in Value

The number of distilleries in Canada is decreasing. So also is the output, according to the records of the Dominion Bureau of Statistics. There were 15 establishments in Canada on January 1, 1931, compared with 20 the year before. The value of the product of 1930 was $24,925,861, $43,752,420 in 1929, $38,423,743 in 1928, and $25,660,985 in 1927.

Ontario decreased its output of distilled liquor most noticeable in 1930. The product of $10,523,480 was less than half that of the year before. For the first time for many years Quebec produced more than Ontario, with $13,419,753, a reduction, however, from $20,312,104. The western provinces produced $982,628, compared with $2,017,567 the year previous.

Vegetation Follows Irrigation

Following the installation at Gleichen, last year, of an extensive pressure pipe irrigation system, much interest is now being taken in the growing of trees, flowers and vegetables, with active assistance from the Calgary Board of Trade and the parks superintendent of this centre.

RUSSELL MOTORS DIVIDENDS KEPT UP BY CANADA CYCLE

Motor Car and Equipment Subsidiaries Showed Loss For 1931

Russell Motor Car Co. earned $103,090 in 1931 as compared with $133,962 in 1930. This was equivalent to earning preferred dividends 1.23 times, leaving after preferred dividends an amount of $2.39 per share available for 8,000 shares of common stock:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930	1929
	$	$	$
Net profit	103,090	133,962	144,508
Less appropriations:			
Pref. divds.	84,000	84,000	84,000
Com. divds.	26,000	40,000	48,000
Surplus for yr.	*6,910	9,962	12,508
Add: prev. surp.	586,987	577,025	564,517
Bal. car. fwd.	580,077	586,987	577,025

*Debit.

T. A. Russell, president, states that all branches of the company's business suffered a decrease in volume during the year.

Canada Cycle & Motor Co., however, suffered least in reduction of volume in its lines of making bicycles, children's vehicles, skates and accessories. By effecting economies in operation it was able to show a profit and pay 6 per cent dividends on its stock of $1,350,000.

Willys-Overland had a net loss and paid no dividends.

Canadian Acme Screw & Gear suffered a marked decrease in volume as its sales are mostly to the motor industry. Despite economies in management, salaries and wages, a net loss is shown for the first time in several years.

The company's important holdings in bonds, preferred and common stocks provided most of the revenue not coming from Canada Cycle & Motor stock.

The company's working capital position is strong. Current assets of $629,091 are 5.21 times current liabilities of $120,525 whereas a year earlier the ratio was 5.28 to 1.

Working Capital

	1931	1930	1929
	$	$	$
Current assets	629,091	636,001	631,039
Current liabs.	120,525	120,525	125,525
Working capital	508,566	515,476	505,514
Ratio	5.21—1	5.28—1	5.03—1

Investments Drop $153,000

Of the current assets shown the major amount is $599,050 for investments at book value including $33,056 for Government and municipal bonds, $272,386 for bonds and preferred stocks of industrial companies, $207,309 for common stocks of industrial companies, $31,112 for common stocks of railway and public utility companies and $55,188 for bank stocks. A reserve for investments is shown of $431,407, and Mr. Russell states that the decrease in value of the company's securities during the year was $153,000. The holdings of securities are shown at book cost because the reserve for investments in the balance sheet exceeds the depreciation in market value since the securities were bought.

Investments in allied and subsidiary companies are shown in the assets at $2,469,162 and real estate at $33,755. Current liabilities of $120,525 include bankers advances of $100,000, accounts payable of $2,525 and unpaid dividends of $18,000.

DEPOSITS $68,309,000 IN QUEBEC BANKS

January Report of Savings Institution Shows Assets Slightly Lower

Deposits in the Montreal City & District Savings Bank and La Caisse d'Economie de Notre Dame de Quebec, as at the end of January totalled $68,309,218 at which they were $125,002 lower than the month before, according to the monthly report published in the Canada Gazette. Of the total the first-named institution held deposits totalling $55,675,515.

Combined total assets of the two banks amounted to $79,477,911, compared with $80,128,308 as at the end of December, 1931. Chief among the asset items are holdings of Canadian municipal bonds, and school and other securities approved by the Treasury Board, amounting to $29,526,415. Dominion, provincial and other public securities held totalled $25,769,387. Loans against collateral amounted to $9,422,563. Cash in hand or on deposit with chartered banks amounted to $7,347,873.

Excess of assets over liabilities at January 30 was $7,059,306, compared with $7,068,764 at December 31, 1931.

Following table shows the comparative figures for the two months, the two bank f[illegible] being combined:

Assets	Jan. 30, 1932	Dec. 31, 1931
	$	$
Dom., prov., & other pub. secs.	25,769,387	25,894,387
Cash	7,347,873	7,851,709
Mun. & other app. secs.	29,526,415	29,412,496
Other secs.	4,865,297	4,999,927
Loans against collat.	9,422,563	9,465,002
Charity fund invest.	263,000	268,000
Bank prem.	1,400,000	1,400,000
Other assets	883,371	841,781
Total	79,477,911	80,128,308
Liabilities		
Cap. paid-up	3,000,000	3,000,000
Deposits	68,309,218	68,434,220
Charity fund	263,000	263,000
Other liabs.	3,846,384	4,362,322
Total	72,418,605	73,059,544
Excess assets over liabs.	7,059,306	7,068,764

Canada Steamship Sailings Begin May 7

From Our Own Correspondent

MONTREAL. — Canada Steamship Lines will begin its passenger service on the St. Lawrence River on May 30, with a daily service from Montreal to Quebec, operative until September 8. Activities on the Montreal-Toronto division will not be commenced until June 18 when this daily service will continue until September 17.

Cruises to the Saguenay River and the service to Murray Bay and Tadousac will begin June 10, when steamers will leave Montreal twice a week until July 5. From July 7 until September 9 there will be four sailings a week and the service will be discontinued for the season on September 16.

In the Northern Navigation division, first sailings from Sarnia and Port Arthur will be made on May 7. From that date until June 16 a biweekly service will be conducted and from June 20 until September 13 three sailings weekly will be made from Detroit and Duluth.

In the Toronto-Niagara division, service will commence on May 21 and continue to September 17.

New Books

"The Crisis of the £"

Of the many volumes that have been issued by economists who have discovered the proper monetary and currency system for the world to adopt, "The Crisis of the £" is the most interesting we have read. It is written by J. Taylor Peddie, a British economist, who appeared before the Macmillan Committee on Industry and Trade but whose ideas were virtually ignored by that body in making its report. Mr. Peddie has previously published a volume on what he calls the Dual System of Stabilization, a monetary system which makes a clear distinction between currency and other forms of credit, which separates commercial banking from financial banking and which utilizes gold as a measure rather than a standard of value. In his latest volume, Mr. Peddie applies his doctrine to recent events and outlines a further adaptation of his idea to the British monetary system.

The ideas are in part unconventional economics but not wholly so and they have such essential merit as to warrant separating them from the ordinary run of quack economic remedies. Mr. Peddie sees the serious results that have accrued from the attempt of Britain's monetary authorities to protect gold at the expense of British industry and trade and of the Federal Reserve authorities in the United States to stop a stock market boom also at the expense of commodity prices. A brief summary of Mr. Peddie's argument follows:

Currency and money are not synonymous. The quantity theory of money, which assumes that an increase in the volume of money or credit, increases prices, while a contraction of credit reduces prices, fails to make this distinction. A country's currency should be based upon tangible wealth and its volume should be determined solely by the needs of producers and consumers. This can be achieved under a Federal Reserve System, such as that of the United States, where currency is issued through the rediscounting, by banks, of their commercial paper. Thus an increase in currency would follow only an increase in production and would make possible the sale of their increased production. Prices would tend to stabilize at production costs plus reasonable profit.

As an increase in the volume of central bank currency tends to a much larger increase in the volume of credit, there should be a legal limit to such credit expansion. Mr. Peddie suggests 9-1 as the proper limit to such pyramiding and central banks would control inflation by having the privilege of reducing the ratio. This would be preferable to increasing the bank rate which penalizes industrial and other producers in order to correct conditions they do not create.

It is not the function of Central banks to curb production and trade in order to stop security inflation which in any event they can not do.

The mythical gold standard should be abandoned and gold should be merely a measure of value to enable foreign exchange transactions to be based upon the relative mint parity of different currencies. But to make gold work as a measure of values countries must be prepared to allow goods to flow in settlement of balances. Creditor countries should retain their tariffs to determine what particular commodities they want to accept in payment of those balances.

There are, in addition, interesting critical chapters on the remonetization of silver, which Mr. Peddie opposes although he proffers a substitute, on the Macmillan report, on tariffs, etc.

"The Crisis of the £" is published by Macmillan and Company of Canada, Toronto, at $2.10.

Estevan Coal Strike Ends; Situation Again Peaceful

From Our Own Correspondent

REGINA.—The labor situation at the Estevan mines which threatened to become acute again over the dismissal of a check weighman at the Crescent Collieries, and a subsequent brief strike of a number of employees there, has quietened down. On March 5th, W. L. Hamilton, owner of the Crescent Collieries appeared in court to answer to a charge of unlawful dismissal, but the charge was dismissed. At the same time five former employees of the mine were each fined $20 or 21 days in jail for being parties to an unlawful strike. They walked out on February 22 when the weighman was discharged, and were found guilty under the Industrial Disputes Act for neglecting to apply for a Board of Conciliation before going on strike.

Log Driving Prospects Good in New Brunswick

From Our Own Correspondent

MONTREAL.—Log driving operations in New Brunswick during the current season are expected to benefit by the very conditions which hampered activity in the woods this winter. The thaws which held up hauling in the earlier part of the year have resulted in an unusually large amount of ice in the woods, which, together with snow which has lately fallen, will maintain the streams at fairly uniform levels throughout the short driving season and will remove uncertainty as to water supply.

Logging activity in the province has been concluded after many trials due to mild winter, but operators are now looking forward to successful driving operations in view of the promising water conditions.

B. R. Hooper Promoted to London Life Post

In connection with the development of the "ordinary" branch of the company, the London Life Insurance Co. announces the appointment of B. R. Hooper to be associated with E. M. Blackie as assistant superintendent of ordinary agencies, working under J. G. Stephenson, superintendent.

The ordinary business of the company in force as at Dec. 31, 1931, totalled practically $267,000,000 net covered by 110,068 policies out of a total insurance in force of $461,207,418. The balance was made up by industrial business totalling $156,584,274 and group $37,623,632.

Redeemed $14,600 Notes for Gold on Sept. 26

That Samuel Sons & Co., Toronto, redeemed Dominion of Canada notes for gold to the amount of $14,600 a few days after Great Britain went off the gold standard was disclosed by an answer to a question put to the Minister of Finance in the federal house recently.

This redemption of notes was effected, under the provisions of the law at the office of the assistant receiver-general in Toronto on September 26, 1931. The minister stated that there was no record of the uses made of the gold so received, pointing out that no export licenses were required prior to October 19, 1931.

Soo Line Gets I.C.C. Consent For Loan Aid

From Our Own Correspondent

MONTREAL.—Approval by the Interstate Commerce Commission of a request by the Minneapolis, Saint Paul and Sault Ste. Marie Railway for a loan relieves the situation surrounding the company and has a bearing on Canadian Pacific Railway whose subsidiary the company is. Proceeds of the loan will be used for payment of bond interest falling due in the next six months.

The Soo line has a total funded debt of $104,574,800 of which Canadian Pacific Railway guarantees the interest on $80,605,000. Aggregate interest charges on the bonds guaranteed by C. P. R. total $3,327,430; to date the Canadian road has not been called on to make good its obligation.

Earnings of the Soo line have shown a sharp decline in the past 12 months. The net loss for 1931, after all charges but excluding the Wisconsin Central Railway, was $4,014,675 compared with a loss of $690,953 in the previous year.

Must Not Lure Salesmen By Claims of "Big Money"

Steps to prevent anonymous advertising for salesmen, in which the claims of earning possibilities are exaggerated, have recently been instituted by the U. S. Federal Trade Commission at the behest of the Investment Bankers' Association of America. Action will be taken upon formal complaint, it is announced.

Complaint may originate with a competitor or other public sources, which, after thorough scrutiny by the commission, is adopted by the latter without naming the source as a party to the complaint. An order is issued requiring the respondent to cease the objectionable practice, to which reply must be made within 60 days, in writing, stating the manner in which he is complying with the order. Failure to do so enables the commission to apply to a United States circuit court for enforcement.

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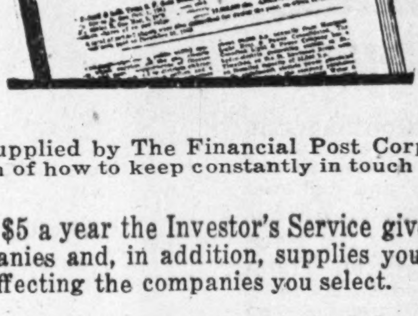
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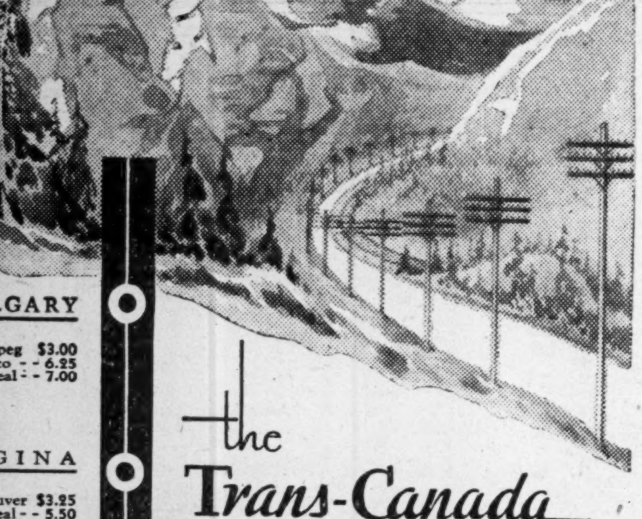

the Trans-Canada Telephone System

The Trans-Canada Telephone System is the final development of 15 years' work by telephone leaders in the interests of efficiency and national unity. Almost insuperable barriers have been overcome by the seven companies in the System. Transmission experts studied the route for months. A gap of 1100 miles between Sudbury and Fort William had to be spanned. The British Columbia route meant blazing a 600 mile trail through forests, over mountains and across lakes and rivers. Across magnificent distances, traversing rough and unfavourable terrain, the System's network grew and lengthened. Every mile was a problem. Ground had to be cleared, every distance measured, thousands of maintenance tests conducted. At last 4263 miles of copper wire stood ready to flash speech from coast to coast, capable of carrying more conversations at one time than had ever been achieved before.

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3216

"IN THE TWINKLING OF AN EYE!"

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING MARCH 14

Range 1932 High	Low	Divd. Rate in $	Yield in % Mar. 12		Sales	Close Mar. 7 (or last)	Week Ending —Mar. 14— High	Low	Close
3¼	2½	.	...	Abitibi	1335	2⅝	3¼	2½	2¾
10	6	.	...	Do. pref.	667	7¾	10	8¾	9
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
x88	83	7	8.4	Do. pref.	....	83	..	..	..
7	4	.	...	Alta. Pac. Gr.	5	4⅝	4⅝	4⅝	4⅝
25	20	.	...	Do. pref.	50	20	25	25	25
2½	2½	.	...	Amal. Electric	150	2½	3	3	3
10¾	9	.	...	Do. pref	200	10	10¾	10¾	10¾
x3½	2½	.	...	Anglo N. Hold.	....	3½	..	..	..
.37	.15	.	...	Asbestos	704	.20	.20	.15	.20
1.00	.60	.	...	Do. pref.	267	.65	1.00	.60	.90
6	5	60c	12	Assoc. Brew.	55	6	6	5	5
69½	68¼	7	10.1	Do. pref.	....	69½	..	..	..
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4+50	..	Assoc. Tel.	....	66	..	..	..
18½	16	.	...	Atlan. Sugar	82	18½	18	16	18
92½	92	.	...	Do. pref.	....	92½	..	..	..
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾	..	..	..
225	215	12	5.6	Bk. Montreal*	....	215	..	..	..
274	267	16	5.9	Bk. N. Scotia*	....	269	..	..	..
193	193	12	6.2	Bk. Toronto*	....	193	..	..	..
x24	8½	.	...	Barcelona	....	15	..	..	..
2½	2½	.	...	Bathurst Pr.	....	2½	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	.	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
x12	6	.	...	Beath & Sons.	....	6	..	..	..
10	10	1	10	Beatty Bros. A	....	10	..	..	..
60	57	6	10	Do. pref.	....	60	..	..	..
3¼	1	.	...	Beauharnois	41297	1⅜	1⅝	1	1
x93	85	7	8.2	Belding Cort.	....	85	..	..	..
x100	90	7	7.8	Do. pref.	....	90	..	..	..
x55	10	.	...	Belgo C. P. pf	....	10	..	..	..
120	107½	8	7.2	Bell Telephone	861	109⅛	110½	109½	110¼
2	2	.	...	Biltmore Hats.	....	2	..	..	..
x65	45	7	..	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	5	.	...	Blue Ribbon	....	5	..	..	..
25	12	2	13.3	Do. pref.	....	15	..	..	..
20	17½	2	11.1	Brant. Cd. pf.	10	17⅞	18	18	18
14¾	10⅞	1	7	Brazilian Tr.	7559	14⅛	14½	13	13¼
x⅞	⅞	.	...	Brew. & Distil.	....	⅞	..	..	..
1	⅜	.	...	Brewing Corp.	....	⅜	..	..	..
3½	2	.	...	Do. pref.	....	2½	..	..	..
11½	9⅞	80c	7.3	Brit. Amer. Oil	5956	10⅞	11¼	10⅞	10¾
1½	1	.	...	B.C. Packers	215	1¼	1½	1¼	1½
6¼	4½	.	...	Do. pref.	....	5	..	..	..
26	21	2	8	B.C. Power	543	23½	25	23½	25
7½	5⅞	.	...	Do. (B)	505	7½	7	6	6
4	4	.	...	Bruck S. Mills	10	4	4	4	4
20¼	17	2	10.1	Building Prod.	30	19	19¾	19	19¾
32	28	3	10.2	Burt, F. N.	290	28	29½	28	29
x146	137	6	4.4	Calgary Pr.	....	137	..	..	..
3	2	.	...	Canada Bread	5	2	3	3	3
85	82	7	8.4	Do. pref. (A)	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7	1	11.6	Canada Bud	90	8½	8¾	8⅝	8⅝
7	5½	.	...	Can. Cement	323	7	7	6½	6½
66	60	6.50	10.8	Do. pref.	149	62	62	60	61
b13½	10	1.20	9.6	Canada Dry	2400	12¼	13	12¼	12½
6	5	.	...	Can. Forg. (A)	....	5	..	..	..
2	2	.	...	Do. (B)	20	..	2	2	2
x68	60	3	5	Canada Iron	....	60	..	..	..
x80	75	6	7.5	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	630	..	..	..
14¾	11¾	1.50	10.3	Can. Malting	440	13⅛	14¾	13½	14
15	15	80c	5.3	Can. Nor. Pr.	5	..	15	15	15
85	85	7	8.2	Do. pref.	10	..	85	85	85
x6	⅜	.	...	Can. Paving	....	⅜	..	..	..
x51	10½	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	....	185	..	..	..
1	½	.	...	Can. Pr. & Pa.	....	½	..	..	..
2	2	.	...	Can. Steamsh's	....	2	..	..	..
9	5	.	...	Do. pref.	15	7	7	7	7
16	14	1.60	10.1	Can. Vinegars	40	16	15¾	15¾	15¾
55	47	4	8.5	Can. W. Cable	100	47	47	47	47
18	12¾	.	...	Do. (B)	200	12⅜	13	13	13
1¼	1¼	.	...	Can. Bakeries	....	1¼	..	..	..
14	12	.	...	Do. pref.	....	12	..	..	..
191	186	12	6.4	Can. Bk. Com.*	....	186	..	..	..
13½	13¼	1.25	9.2	Can. Bronze	275	..	13½	13¼	13¼
102	102	7	6.9	Do. pref.	....	102	..	..	..
x13¼	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
9	9	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	6¼	1	15.4	Can. Car & F'y	410	7½	7	6⅞	6½
16	14¾	1.75	11.3	Do. pref.	452	15¼	15½	15	15½
5½	4½	.	...	Can. Celanese.	....	5½	..	..	..
60	52	7	11.7	Do. pref.	175	..	60	52	60
x58	30	2	6.7	Can. Convert.	....	30	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
17	12	.	...	Can. Dredge	345	13½	17	14	16½
x92	92	7	...	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb. pf.	....	68	..	..	..
4	3½	.	...	Can. For. Inv.	....	4	..	..	..
x80	70	8	...	Do. pref.	....	77	..	..	..
x300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
59	54	3.50	6.4	Do. pref.	108	56	59	55	56½
66	66	6	9.1	Can. Hyd. E. p.	....	66	..	..	..
1½	1	.	...	Can. Ind. Alc.	465	1⅛	1⅛	⅞	1
.80	.50	.	...	Do. (B)	20	.60	.75	.75	.75
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	.	...	Do. pref.	....	65	..	..	..
20	20	1	5	Can. Lt. & Pr.	....	20	..	..	..
x18	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1½	¾	.	...	Can. Marconi	6000	1⅛	1⅛	1⅛	1⅛
13	10	1	7.7	Canadian Oil	65	11½	13	12	13
98	98	8	8.2	Do. pref.	....	98	..	..	..
22⅞	13¼	1.25	6.4	Can. Pacific	9483	21	21⅞	17½	17½
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2	.	...	Can. Vickers	....	2½	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2¾	2	20c	8.9	Can. Wineries	....	2¼	..	..	..
7½	6	1	16.6	Can. Wire Box	....	6	..	..	..
12	9	.	...	Catelli Mac. A	1	9	9	9	9
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.44	10c	...	Chem. Research	3060	1.52	1.66	1.50	1.63
7.25	6.00	30c(c)	..	Cities Service	10	6.75	6.75	6.75	6.75
6	4½	.	...	Cockshutt*Plow	510	5½	5½	5¼	5⅝
2	2	.	...	Comm. Alcohol	....	2	..	..	..
3¾	1½	.	...	Conduits	....	1½	..	..	..
x94	84	7	...	Do. pref.	....	90	..	..	..
8	5	1	13.3	Cons. Bakeries	806	5⅞	7½	6	7½
1	½	.	...	Cons. Food Pr.	5	½	1	1	1
x6	3	.	...	Do. (A)	....	3	..	..	..
5	3	.	...	Cons. Indust.	25	4	4	3	4
4	4	.	...	Cons. Paper	20	..	4	4	4
15	15	.	...	Cons. Press	....	15	..	..	..
30	30	7	...	Cons. Sand, pf.	....	30	..	..	..
75	64	2.50†	3.5	Cons. Smelt.	685	74	74½	70½	70½
166	151	10	6.4	Consumers Gas	10	154	156	156	156
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3¼	2⅞	.	...	Cosgrave Br.	495	3¼	3¼	3	3¼
5	3¼	.	...	Cosmos Imp.	....	4½	..	..	..
68	62	7	11.3	Do. pref.	....	62	..	..	..
3	2	.	...	Crown Do. Oil	....	2½	..	..	..
13	9	3	...	Crow's N. Coal	....	12	..	..	..
1¼	1¼	.	...	David & Fre. B	....	1¼	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	...	Do. pref.	....	10	..	..	..
6⅞	3½	.	...	Distill-Seagram	320	3¾	3⅞	3⅝	3⅞
7	7	.	...	Dodge "A" pf.	25	..	7	7	7
194	189	12	6.3	Dominion Bk.*	....	189	..	..	..
27	27	2.50	9.2	Dom. Bridge*	....	27	..	..	..
x40	40	.	...	Dom. Coal*	....	40	..	..	..
22½	21	.	...	Dom. Engineer	10	21	21	21	21
‡14	10	.	...	Dom. Found.	....	..	..	..	..
x126	82	5	6.1	Dom. Glass*	....	82	..	..	..
112	100	7	7	Do. pref.	42	100	100	100	100
5½	3	40c	11.4	Dom. Motors	25	3½	3½	3½	3½
7½	3½	.	...	Dom. Pr. Stubs	1318	5¼	6½	5½	6½
2½	1¾	.	...	Dom. St. & CB	275	2	2	2	2
x24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
20	16½	1.20+30c	7.8	Dom. Stores	592	19	19¾	18⅛	18¼
5	4	.	...	Dom. Tar & Ch	10	4	5	5	5
x95	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
63¼	50	5	9.3	Dom. Textile	35	52	53½	53	53½
105	100	7	7	Do. pref.	1	105	100	100	100
x12	10	.	...	Donnacona	....	10	..	..	..
2	1¼	.	...	Dryden Pap.	525	1¼	1½	1¼	1⅜
4	3	.	...	Duff. Paving	....	3	..	..	..
49	45	7	15.5	Do. pref.	....	45	..	..	..
20	20	.	...	East Koot. Pr.	....	20	..	..	..
x97	94½	7	...	Do. pref.	....	96	..	..	..
16	10	1	6.7	East. Dairies	30	16	15	10	14½
x20	16	50c	...	East. Steel*	....	16	..	..	..
x100	97	7	...	Do. pref.*	....	98	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
x37	34¾	1.75	4.7	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78⅜	6.50	..	Do. pref.	....	78⅜	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	19	3	15.8	Eng. Electric	....	19	..	..	..
2½	1½	.	...	Do. (B)	....	1½	..	..	..
x39½	16	2	...	Fam. Players	....	18	..	..	..
x33½	18	2	...	Do. Vot. Tr.	....	18	..	..	..
10	9	1	11.1	Fanny Farmer.	4	10	9	9	9
29	28	2.40	8.6	Do. pref.	....	28	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	11	.	...	Ford Motors A	1556	16⅜	16¼	15¼	15¼
3⅛	3⅛	.	...	For. Pr. Secs.	....	3⅛	..	..	..
9	9	1	11.1	Foundation Co.	10	9	9	9	9
1¼	1	.	...	Fraser Cos.	60	1	1⅛	1	1⅛
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	8.2	Do. pref.	....	85	..	..	..
2½	1⅞	.	...	Gen. St. Wares	350	1⅞	2	2	2
82	70	5	6.1	Goodyear Tire.	20	80	82	82	82
93½	80	7	7.5	Do. pref.	41	90½	93½	91	92½
x93½	93½	.	...	Gould Pumps p	....	93½	..	..	..
¾	¾	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	19	1.60	8.4	Gurd, Chas.	....	19	..	..	..
5	3½	.	...	Gypsum, Lime	155	4	4½	4	4¼
7	4½	.	...	Ham. Bridge	95	5¼	5¼	5	5
x80	63	6.50	10.1	Do. pref.	....	64	..	..	..
10	10	.	...	Ham. Cot., pf.	....	10	..	..	..
1½	1½	.	...	Ham. U. Theat	....	1½	..	..	..
53	48½	7	14.4	Do. pref.	....	48½	..	..	..
4	3½	.	...	Hayes Wheel	....	3½	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
1¾	1	.	...	Hinde & Dauch	450	1¾	1¾	1⅝	1¾
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅛	2⅞	.	...	Honey Dew	....	2⅞	..	..	..
40	37	7	18.4	Do. pref.	....	38	..	..	..
4	3	.	...	H. Smith Pap.	20	3	4	3	3
27	22	.	...	Do. pref.	....	22	..	..	..
21½	20½	2.40	11.7	Humberstone S	....	20½	..	..	..
17¾	17	1.40	8.2	Hunt (A)	80	17½	17¾	17	17¾
x23½	18½	1.40	7.6	Do. (B)	....	18½	..	..	..
x150	143	8	5.5	Huron & E. M.	....	144	..	..	..
x29½	28	.	...	Do. 20% paid	....	28	..	..	..
11¼	8½	.	...	Hydro Electric	....	11¼	..	..	..
193	188	12	6.4	Imperial Bank*	....	188	..	..	..
10¾	9¾	50c	4.9	Imperial Oil	6691	10	10½	10	10
9½	7¼	35+17½c	.	Imperial Tob.	512	7½	7¾	7½	7¾
x80	80	8	10	Inter. Coal, p.	....	80	..	..	..
x29	9⅝	2a	...	Int. Hyd. E. A	....	9⅝	..	..	..
97	96	7	7.3	Inter. Mill. pf.	5	97	96	96	96
x80	80	6	...	Do. Series A	....	80	..	..	..
11	8½	.	...	Inter. Nickel	10342	9¾	10	9	9
4	4	.	...	Inter. Paints	15	4	4	4	4
b2½	1½	.	...	Int. Pa. & Pr. A	....	2	..	..	..
b1	1	.	...	Do. (B)	....	1	..	..	..
b⅜	⅜	.	...	Do. (C)	....	⅜	..	..	..
b11	7¼	.	...	Do. pref.	600	7½	8	7⅞	8
11¾	10¼	1	8.7	Inter. Pete.	1225	11	11¾	11	11¾
x8	5	.	...	Inter. Power	....	5	..	..	..
x78	56½	.	...	Do. pref.	....	57	..	..	..
9¾	6½	.	...	Int. Util. (A)	40	7½	8½	7	8½
3	2	.	...	Do. (B)	....	2	..	..	..
x40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
x109	99¾	7	7	Do. pref.	....	100	..	..	..
4	3½	.	...	Kelvinator	5	3½	3½	3½	3½
90	88	7	7.8	Do. pref.	....	90	..	..	..
7	5½	.	...	Lake of Woods	35	5⅝	5½	5½	5½
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
39	36	3	7.7	Laura Secord	5	39	39	39	39
8	5	1	20	Lindsay, C. W.	5	5	5	5	5
60	50	6.50	13	Do. pref.	30	60	50	50	50
10¾	9⅝	80c	8	Loblaw (A)	390	9¾	10¼	10	10¼
10½	9	80c	8.9	Do. (B)	25	9¼	9¼	9	9¼
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	20	..	..	..
x95	90	7	...	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
5	2	.	...	Maple Leaf	20	2	5	5	5
20½	12	.	...	Do. pref.	50	15	15	15	15
x38	30	.	...	Marcus Loew's	....	38	..	..	..
60	60	.	...	Do. pref.	....	60	..	..	..
4½	2¾	.	...	Massey-Harris	755	3¾	4	3¾	3¾
10½	9	60c	6.1	McColl Fron.	1197	9¾	9⅞	9¾	9⅞
x80	69¾	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	5	Mitchell, J. S.	....	40	..	..	..
x105	104	7	6.7	Do. pref.	....	105	..	..	..
8	6	1	14.3	Mitchell, Robt.	211	6	7	6	6⅞
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	25	.	...	Do. pref.	15	27½	25	25	25
75	75	6	8	Montreal Cot.	25	..	75	75	75
x102	98	7	7	Do. pref.	....	100	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont. L. & Pr.*	586	36	36	36	36
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	44½	3.20	7.1	Montreal Tele.	....	45	..	..	..
150	120	10	8.3	Mont. Trams.	4	120	120	120	120
10	8½	50c	5.9	Moore Corp.	45	9	9	8½	8½
93	80	7	8.6	Do. (A)	12	80	81¼	81¼	81¼
97	90	7	7.8	Do. (B)	....	90	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	1½	10c	...	Muirheads	....	2	..	..	..
9	8	75c	8.3	Do. pref.	15	8	9	9	9
24	24	1.60	6.7	Nat. Brew.*	....	24	..	..	..
x35	27	1.75	5.6	Do. pref.	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	8½	2	17.4	Nat. Steel Car	1359	11⅜	11⅞	11	11
255	245	14	5.7	National Tr.*	10	245	245	245	245
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	9.4	Do. pref.	....	32	..	..	..
2.50	1.75	.	...	North Star Oil	85	2.25	1.75	1.75	1.75
x4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
100	99	7	7.1	Do. pref.	2	99½	99	99	99
9	7	40c	5.3	Ont. Eq. 10% p	10	7	7½	7½	7½
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel	....	13	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
x1¼	¾	.	...	Orange Crush.	....	¾	..	..	..
45	44	7	15.9	Do. (A)	....	44	..	..	..
x5½	1	.	...	Do. (B)	....	1	..	..	..
100	100	6	6	Ott. L. H. & P*	20	..	100	100	100
100	100	6.50	6.5	Do. pref.	5	..	100	100	100
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	49½	5	8.3	Page Hersey	106	59	60	59	59
b11½	6½	.	...	Paramount	57900	..	10⅜	8⅝	9
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	92	7	7.4	Do. pref.	....	94	..	..	..
x½	½	.	...	Pelissiers	....	½	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
x73	31	3	9.1	Penmans	....	33	..	..	..
x101	93	6	6.2	Do. pref.	....	97	..	..	..
x.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
18½	17½	2	11.1	Photo Eng.	....	18	..	..	..
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	10	Porto Rico Pr. p	....	70	..	..	..
b9	4½	.	...	Postal Tele. p.	....	..	..	..	..
36½	36½	2	5.5	Power Corp.*	10	36½	36½	36½	36½
90	90	6	6.7	Do. pref.	....	90	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
10	6½	25c	2.5	Pressed Metals	50	7¾	10	9¾	10
x42¾	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	6.50	..	Do. pref.*	....	70	..	..	..
29	29	2	6.9	Quebec Power*	3	29	29	29	29
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	....	1	..	..	..
6	6	.	...	Reliance Grain	....	6	..	..	..
11½	10	2	17.4	River. S. Mills	65	10	11½	11½	11½
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
4	4	.	...	Rogers Majes.	5	4	4	4	4
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	7	...	Ruddy, E. L. p	....	75	..	..	..
x77¾	32	2	5.7	Russell Motor	....	35	..	..	..
70	61	7	11.1	Do. pref.	....	61	..	..	..
4	3	.	...	Sarnia Br. (A)	10	3	4	4	4
1	1	.	...	Do. (B)	....	1	..	..	..
7	5	.	...	Serv. Station	480	5½	6	5½	5⅝
46	40	6	15	Do. pref.	....	40	..	..	..
33	33	2	6.1	Shawinigan*	....	33	..	..	..
20	8	.	...	Sher.-Wms.	30	12	12¾	12	12
x121	112	7	...	Do. pref.	....	115	..	..	..
17	17	.	...	Simon & Son.	....	17	..	..	..
x92	88½	7	7.7	Do. pref.	....	91	..	..	..
55½	38¼	6.50	...	Simpson, Ltd.	36	42	40	38½	39
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	5.8	Simpson, R., p.	....	103	..	..	..
25	15	1	5	So. Can. Pr.	226	20	20	19¾	19¾
90	89	6	6.7	Do. pref.	42	90	89	89	89
1.00	.65	.	...	St. Law. Corp.	570	.65	.85	.80	.80
4	2⅞	.	...	Do. (A)	....	3	..	..	..
x20	16	.	...	St. Law. Flour	....	16½	..	..	..
x85	82	7	8.2	Do. pref.	....	85	..	..	..
11	9	.	...	St. Law. Pap. p	....	9	..	..	..
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
3	2¼	.	...	St. Pav. & Mat.	15	2¼	2½	2½	2½
46	40	7	17.5	Do. pref.	10	46	40	40	40
x1	1	.	...	Stanfords	....	1	..	..	..
5	4	1	...	Stand. Chem.	35	4	5	5	5
3	2	.	...	Stand. Steel	80	3	3½	3	3
x35	30	3	10	Do. pref.	....	30	..	..	..
24	20	1.75	7.3	Steel of Can.	411	22½	24	22⅛	23½
29	24½	1.75	6.2	Do. pref.	85	24½	28	25	25
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	15⅛	1	5.5	Sup. Pete. ord.	153	16	18	16½	18
x31	14	1	6.7	Do. com.	....	15	..	..	..
98	95	7	7.4	Do. pref.	....	95	..	..	..
x49	41	.	...	Tamblyn	....	49	..	..	..
100½	95	7	7.1	Do. pref.	....	98	..	..	..
18	17	3.50	19.4	Thayers, pref.	55	18	18	17	18
7	7	.	...	Tip Top Tailors	....	7	..	..	..
x90	77	7	8.4	Do. pref.	....	83	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48½	.	...	Do. pref.	....	48½	..	..	..
13	11	.	...	Tor. Elevators	25	11	13	13	13
210	210	12	5.7	Tor. Gen. Tr.*	....	210	..	..	..
x115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1¼	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
120	119	7	5.9	Tuckett Tob. p.	....	119	..	..	..
4	3⅛	.	...	Twin City	....	3¼	..	..	..
b24½	13	.	...	Do. pref.	....	..	..	..	..
37	35	.	...	Do. (notes)	....	35	..	..	..
5	3	.	...	Union Gas	205	3¼	3½	3¼	3¼
x101½	98	7	6.9	Union Trust*	....	100½	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	20	11	12	12	12
x62½	40	2	...	United Secs.	....	40	..	..	..
11	10	.	...	Viau Biscuit	....	10	..	..	..
75	70	7	10	Do. pref.	537	75	70	70	70
12	10	.	...	Wabasso Cot.	1	10	10	10	10
4¾	2⅝	25c	6.2	Walker-Good.	5421	4¾	4	3¾	3¾
5¾	2½	.	...	Do. new	976	4¼	5¾	4¾	5½
12	10	.	...	Do. pref.	455	10⅜	10¾	10	10¼
3¾	2	.	...	Waterloo Mfg.	....	2	..	..	..
80	75	7	8.9	W. Koot. Pr. p	....	80	..	..	..
8	7	.	...	West. C. Flour.	85	7	8	8	8
x96	70	6.50	9.3	Do. pref.	....	70	..	..	..
11	10	.	...	West. Grocers.	....	11	..	..	..
46	43	7	15.2	Do. pref.	....	46	..	..	..
x91	85	.	...	W. Steel Pr. p	....	91	..	..	..
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
x13	10	.	...	Windsor Hotel*	....	12	..	..	..
x73	71	6.50	...	Do. pref.	....	71	..	..	..
8	5	.	...	Winnipeg Elec.	65	5¾	5¾	5½	5½
x81½	49	.	...	Do. pref.	....	50	..	..	..
x40	36	.	...	Woods Mfg. p.	....	36	..	..	..
‡2½	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

March 11, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	6	..
Can. Amer. Tr. sh.	..	3⅞
City Dairy (Wpg.) pref. 7%	..	65
Corporate Steel c.	..	5
Cresc.-Cream. pf.	..	80
Home Invest.	..	50
Monarch Life	..	28
North. Trust	..	24
Un. Gr. Growers	..	12½
Reliance Gr. pf.	..	60
West Breweries	1½	2
Fund. Tr. shs. 'A'	..	4¼
Do., "B"	..	4⅜
Grouped Inc. Shs.	..	4.63

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	...	3c	Apr. 15	Mar. 31
Agnew Surpass, pref.	$7	$1.75	Apr. 1	Mar. 15
Associated Breweries	60c	15c	Mar. 31	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Brantford Cordage pfd.	8%	2%	Apr. 15	Mar. 20
Brand-Henderson pref.	...	$1	Apr. 1	Mar. 1
Bell Telephone	$8	$2	Apr. 15	Mar. 23
Brazilian Tr. pref.	$6	$1.50	Apr. 1	Mar. 15
Bank of Nova Scotia	16%	4%	Apr. 1	Mar. 16
Brit. Amer. Oil (coupon 8)	80c	20c	Apr. 1	Mar. 15
B. C. Power "A"	$2	50c	Apr. 15	Mar. 31
Building Products "A" & "B"	$2	50c	Apr. 1	Mar. 17
Burt, F. N.	$3	75c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Calgary Power c.	$6	$1.50	Apr. 1	Mar. 15
Can. Gen. Invest. (coupon 15)	60c	15c	Apr. 1	Mar. 15
Can. Pacific Railway	$1.25	31¼c	Apr. 1	Mar. 1
Do., pref.	4%	2%	Apr. 1	Mar. 1
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 19
Canada Nor. Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canada Bread, 1st pfd.	7%	1¾%	Apr. 1	Mar. 15
Canada Bud	$1	25c	Apr. 15	Mar. 31
Canada Cement, pref.	$6.50	$1.62½	Mar. 31	Feb. 29
Can. Celanese pref.	7%	1¾%	Mar. 31	Mar. 15
Can. Perm. Mortgage	12%	3%	Apr. 1	Mar. 15
Central Can. Loan	$12	$3	Apr. 1	Mar. 15
Can. Cottons, pref.	$6	$1.50	Apr. 4	Mar. 19
Can. Canners	20c	5c	Apr. 1	Mar. 15
Do., 1st pref.	6%	1½%	Apr. 1	Mar. 15
Do., 2nd pref.	68c	17c	Apr. 1	Mar. 15
Can. Gen. Elec.	$4	$1	Apr. 1	Mar. 15
Do., pref.	$3.50	87½c	Apr. 1	Mar. 15
Can. Industries c. "A"	$2.50	62½c	Apr. 30	Mar. 31
Do., extra	....	25c	Apr. 30	Mar. 31
Do., "B" com.	$2.50	62½c	Apr. 30	Mar. 31
Do., extra	....	25c	Apr. 30	Mar. 31
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Consumers Gas	10%	2½%	Apr 1	Mar. 15
Chartered Trust	6%	1½%	Apr. 1	Mar 26
Cons. Bakeries, c.	$1	25c	Apr. 1	Mar. 16
Dom. Textile	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bank	$12	$3	Apr. 1	Mar. 19
Dominion Glass	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Dominion Stores	$1.20	30c	Apr. 1	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Dominion Tar & Ch. pfd.	6½%	1⅝%	May 1	Apr. 6
Dufferin Paving, 1st pfd.	$7	$1.75	Apr. 1	Mar. 24
Eastern Can. Savings	$8	$2	Apr. 1	Mar. 21
Edmonton City Dairy pfd.	6½%	1⅝%	Apr. 1	Mar. 15
Fanny Farmer	$1	25c	Apr. 1	Mar. 15
Do., pref.	$2.40	60c	Apr. 1	Mar. 15
Freiman, A. J., pfd.	$6	$1.50	Apr. 1	Mar. 15
Famous Players	$2	50c	Mar. 26	Mar. 4
Goderich Elevator	$1.40	35c	Apr. 1	Mar. 15
Goodyear Tire, com.	5%	1¼%	Apr. 1	Mar. 15
Do., pref.	7%	1¾%	Apr. 1	Mar. 15
Gurd, Chas.	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Great West Life	$20	$5	Apr. 1	Mar. 19
Holt Renfrew pfd.	$7	$1.75	Apr. 1	Mar. 26
Hamilton Bridge, pref.	6½%	1⅝%	May 2	Apr. 15
Hamilton Un. Theatres pfd.	7%	1¾%	Mar. 31	Feb. 29
Huron & Erie Mtge.	$8	$2	Apr. 1	Mar. 15
Hollinger Cons. Mines	65c	5c	Mar. 24	Mar. 10
Hunt's "A"	$1.40	35c	Apr. 1	Mar. 15
Do., "B"	$1.40	35c	Apr. 1	Mar. 15
Inter. Hydro-Elec. "A"	$2	†50c	Apr. 15	Mar. 25
Do., pref.	$3.50	87½c	Apr. 15	Mar. 25
Inter. Nickel, pref.	7%	1¾%	May 2	Apr. 2
Imperial Tobacco,	35c	8¾c	Mar. 31	Mar. 2
Do., final	...	17½c	Mar. 31	Mar. 2
Do., pref.	6%	3%	Mar. 31	Mar. 2
Landed Banking & Loan	8%	2%	Apr. 1	Mar. 15
MacKinnon Steel, pref.	7%	1¾%	May 2	Apr. 15
Mitchell, J. S., pref.	7%	1¾%	Apr. 1	Mar. 16
McColl-Frontenac, pfd.	$6	$1.50	Apr. 15	Mar. 31
Montreal C. & D. Bank	$12	$3	Apr. 1	Mar. 15
Maritime Tele. & Tel.	80c	20c	Apr. 1	Mar. 15
Do., pref.	70c	17½c	Apr. 1	Mar. 15
Mackay Cos., pref.	$4	$1	Apr. 1	Mar. 18
Moore Corp.	50c	12½c	Apr. 1	Mar. 15
Do., Pref "A"	$7	$1.75	Apr. 1	Mar. 15
Do., pref. "B"	$7	$1.75	Apr. 1	Mar. 15
National Steel Car	$2	50c	Apr 1	Mar. 23
Niag. Wire Weav.	$1	25c	Apr. 1	Mar. 17
Do., pref.	$3	75c	Apr. 1	Mar. 17
North Star Oil, pfd.	7%	1¾%	Apr. 1	Mar. 15
Nat. Breweries	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$1.75	44c	Apr. 1	Mar. 15
Nor. Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
N. S. Light & Pr. ord.	$4	$1	Apr. 1	Mar. 19
National Trust	$14	$3.50	Apr. 1	Mar. 21
Ontario Loan & Deb.	$6	$1.50	Apr. 1	Mar. 15
Ogilvie Flour, c.	$8	$2	Apr. 1	Mar. 21
Ottawa L. H. & Pwr.	$6	$1.50	Mar. 31	Mar. 15
Do., pref.	$6.50	$1.62½	Apr. 1	Mar. 15
Page Hersey	$5	$1.25	Apr. 1	Mar. 19
Do., pref.	$7	$1.75	Apr. 1	Mar. 19
Pioneer Gold of B. C.	12c	3c	Apr. 1	Mar. 15
Power Corp. pref.	$6	$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	$3	75c	Apr. 15	Mar. 31
Provincial Paper pref.	7%	1¾%	Apr. 1	Mar. 15
Penmans	$3	75c	May 1	Apr. 30
Do., pref.	6%	1½%	May 1	Apr. 30
Premier Gold Mine	12c	3c	Apr. 4	Mar. 14
Porto Rico Pr. pfd.	$7	$1.75	Apr. 1	Mar. 15
Riverside Silk "A"	$2	50c	Apr. 1	Mar. 15
Robinson Cons. Cone	$1.50	37½c	Apr. 1	Mar. 15
Royalite Oil	50c	50c	Mar. 16	Mar. 8
Sherwin-Williams, pfd.	7%	1¾%	Mar. 31	Mar. 15
Siscoe Gold Mines	...	4c	Mar. 31	Mar. 21
Standard Steel, pref. "A"	$3	75c	Apr. 1	Mar. 15
Southern Can. Power, pfd.	$6	$1.50	Apr. 15	Mar. 19
Steel of Canada	$1.75	43¾c	May 2	Apr. 7
Do., pref.	$1.75	43¾c	May 2	Apr. 7
Supertest Pete. ord. (coupon 19)	$1	25c	Apr. 1	Mar. 18
Do., com. (coupon 19)	$1	25c	Apr. 1	Mar. 18
Do., pref. "A"	$7	$1.75	Apr. 1	Mar. 18
Do., pref. "B"	$1.50	37½c	Apr. 1	Mar. 18
Sun Life Assur.	$25	$6.25	Apr. 1	Mar. 16
Tamblyn, pref.	$7	$1.75	Apr. 1	Mar. 19
Toronto Mortgage	$6	$1.50	Apr. 1	Mar. 15
Viau Biscuit, 1st pfd.	$7	$1.75	Apr. 1	Mar. 23
Western Grocers, pref.	7%	1¾%	Apr. 15	Mar. 15
Wright Hargreaves	10c	2½c	Apr. 1	Mar. 10

†Or option of 1/50 share of class "A" stock.

Dividends Passed or Deferred:

International Nickel, com. Mar. 31 passed. Last paid 5c. Dec. 31, 1931.

Anglo-Nor. Holding, c. Mar. 24, passed. Last paid 25c. Mar. 24, 1931.

Gould Pumps, pref. Apr. 1, passed. Last paid 1¾% Jan. 2, 1932.

Quebec Power, April 15, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Shawinigan W. & Pr. April 10, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Sherwin-Williams com. Mar. 31, passed. Last paid 40c. Dec. 31, 1931.

Paramount Publix c. Mar. 31, no action taken.

Twin City Rapid Transit, pref., Apr. 1, passed. Last paid $1.75 Jan. 2, 1932.

Model Oils, Mar. 18, passed. Last paid 3c. Dec. 18, 1931.

Ruddy, E. L., pref., Mar. 15, deferred. (Future quarterly dividend periods will coincide with calendar year).

Dividend Rate Reduced:

Brandram Henderson pref., $1 Apr. 1, reduced from $1.75 quarterly.

Gurd, Chas., com. 40c. Apr. 1. Reduced from $2 to $1.60 per annum.

Moore Corp., c. 12½c. Apr. 1. Reduced from $1 to 50c. per annum.

Extra Dividends:

Imperial Tobacco, com. final div., 17½c. Mar. 31.

Can. Industries com. "A" and "B" 25c. April 30.

Stocks With Minimum Prices

Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Dominion Bridge	27
East. Steel, com.	15
Do., pref.	97
Mont. Light, Heat	36
Nat. Breweries	24
Do., pref.	31
Ogilvie Milling	185
Ottawa L. H. & Pr.	100
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Quebec Power	29
Shawinigan Power	33
Weston's, com.	38
Do, pref.	75
Windsor Hotel	10
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	32
Huron & Erie	139
Do., 20% paid	23
Landed Banking	145
National Trust	245
Ontario Loan	114½
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	105
Union Trust	95
Banks	
Banque Canadienne	155½
Bank of Commerce	186
Dominion Bank	189
Imperial Bank	188
Bank of Montreal	215
Bank of N. S.	269
Royal Bank	211
Bank of Toronto	193

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
March 15, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.20	.40
Acadia Sugar pf.	1.25	....
Acme Farmers Dairy pfd.	65.00	75.00
Allens Coll. pfd.	30.00	....
Allens Lond. pfd.	30.00	....
Andian National Corp.	20.00	25.00
B.C. Pulp & Pap. com.	....	8.00
B.C. Pulp & Pap. 7% pfd.	16.00	....
Can. & Dom. Sugar c.	17.50	20.00
Canada Biscuit pfd.	....	9.00
Can. Mach. c.	4.00	6.00
Can. Mach. 7% pfd.	20.00	30.00
Canada Pack. c.	12.00	13.50
Canada Packers 7% pfd.	76.00	81.00
Canada Starch pf.	67.00	78.00
Canada Tea pfd.	55.00	....
Canada Wire & Cable pfd. w.w.	83.00	88.00
Can. Celanese pf.	51.00	....
Can. Industries com. "A"	78.00	....
Can. Industries com. "B"	77.50	82.00
Can. Industries 7% pfd.	103.00	108 00
Can. Westing.	48.00	52.00
Chase, A. W. Units	33.00	38.00
Cons. Oka Sand & Gravel pfd.	47.50	....
Copeland Flour 6% pfd.	....	10.50
Dairy Corp. pfd.	....	39.00
Dodge Mfg. "A" pfd.	7.00	....
Dodge Mfg. "B" com.	1.00	....
Dom. Foundries & Steel c.	6.50	9.00
Dom. Foundries & Steel pfd.	55.00	....
Dom. Mfrs. pfd.	....	90.00
Dunlop Tire 7% pfd.	38.25	55.00
East. Car 6% pf.	44.00	....
Fed. Grain pfd.	21.50	28.25
Goderich Elevator & Transit	14.50	16.00
Greening Wire 7% pfd.	80.00	87.00
Guard. Rlty. pf.	....	40.00
Guelph Carp. pfd.	69.00	75.00
Harding Carp. pf.	....	50.00
Inter City Bak. c.	38.00	47.00
Internat. Proprietaries "A"	21.75	24.75
Loew's London c.	.50	2.00
Loew's Lond. pf.	3.00	6.00
M & P Stores pfd.	....	89.00
Massey Harris pf.	12.00	14.50
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	.50	2.00
Mt. Royal Htl. c.	1.50	2.75
Mt. Royal Htl. 6% pfd.	12.00	15.00
Nat. Gorcers c.	....	1.50
Nat. Grocers 2nd 7% pfd.	36.00	43.50
Para. Oshawa c.	7.50	....
Prov. Paper pfd.	50.00	60.00
Rolland Paper pfd. w.w.	36.50	44.00
Standard Clay Prod. com.	18.00	25.00
Standard Fuel pfd. bonus	54.00	....
Supertest Petroleum "B" pfd.	15.00	....
Toronto Brick pf.	38.00	58.00
Toronto Carp. c.	....	120.00
Toronto Carpet 8% pfd.	....	100.00
Toronto Elevator 7% pfd.	65.00	75.00
Toronto Hous. c.	20.00	30.00
Un. Amuse. "A"	16.00	....
West. Grain pf.	14.00	21.00
Willards Choc. pf.	20.00	35.00
Wood Alexander & James pfd.	28.00	....

Insurance Stocks:	Bid	Asked
Br. Amer. Assce.	28.00	....
Canada Life Ass.	445.00	500.00
Canada Nat. Fire	17.00	24.00
Can. Fire Ins.	76.00	87.00
Capital Life 20% pd.	10.00	21.00
Confederation Life 20% pd.	145.00	170.00
Continental Life 20% pd.	55.00	65.00
Crown Life Ins.	92.00	....
Dominion Fire	92.00	125.00
Dom. Life 50% pd.	290.00	325.00
Dom. of Can. Gen. Ins.	185.00	210.00
Excelsior Life 30% pd.	90.00	115.00
Fidelity Ins. of Canada	....	70.00
Gt. West Life	290.00	330.00
Guar. Co. of N.A.	260.00	....
Halifax Fire	15.00	20.00
Imperial Life	305.00	375.00
Mfrs. Life	260.00	295.00
Monarch Life 10% pd.	20.00	27.00
Nat. Life 25% pd.	110.00	130.00
Saskatchewan Life 10% pd.	....	18.00
Sovereign Life 25% pd.	20.00	27.00
Sun Life Assur.	500.00	590.00
West. Assur. c.	19.00	25.00
Western Life 20% pd.	8.00	14.50
Trust & Loan Stocks:		
Br. Mtg. & Trust	170.00	....
Can. Gen. Invest. Ltd.	5.00	6.50
Chartered Trust.	....	93.00
Deb. & Sec. c.	....	35.00
Deb. & Sec. pfd.	....	50.00
Eastern Can. Sav. & Loan	115.00	140.00
Eastern Trust	141.00	175.00
Guelph & Ont. Inv. par $50	50.00	62.00
Investment Foundation Units	20.00	25.00
Lambton Loan & Savings	68.00	78.00
London & Western Trust	97.00	106.00
Midland Loan & Savings	15.00	....
Mtge. Disc. pfd.	2.50	4.50
Mutual Fin. c.	....	4.50
Mutual Fin. pfd.	2.50	4.75
Premier Trust	75.50	85.00
Sherbrooke Trust	120.00	....
Security Loan & Savings	106.00	125.00
Sterling Trust	....	88.00
Traders Fin. c.	....	3.75
Traders Fin. pfd.	30.00	40.00
Trusts & Guar.	63.00	70.00
Victoria Trust & Savings	175.00	....
Waterloo Trust & Savings	120.00	140.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	93.00	96.00
Calgary Pwr. pf.	70.00	75.00
Can. Light & Pwr. com.	21.00	26.00
Can. West. Nat. Gas LH&P com.	18.00	22.00
Can. West. Nat. Gas LH&P pfd.	67.00	70.50
Gt. Lakes Pwr. pf.	....	80.00
N.B. Pwr. 1st pf.	48.00	60.00
N.B. Tel. com.	....	11.00
N.S. L&P pfd.	69.00	81.00
Ottawa LH&P 6½% pfd.	89.00	99.00
Recent London Quotations:		
Brewer Distillers		2s. 6d.
Can. & For. Sec.		3s. 9d.
Can. West. Lumber		1s. 6d.
Hudson's Bay		19s. 6d.
Do., 5% pfd.		52s. 6d.
Internat. Holdings		$1½
Nfld. Pr. & Pap. deb. stock "B"		81½
Trust & Loan of Can. (15s. pd.)		5s.

Listed Bond Quotations

Week Ending March 14

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	45	...	...	46	34¼
Asbestos	5	1942	...	65	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	†14	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	†9¾	...	...	7	7
Do. (Way. Ser.)	5½	1958	...	†6½	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.00	†100	100	...	100	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	98
McNish	6	1948	...	†2.00	...	...	*3.25	2.25
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	98½
Mont. Tr. 1st mtge.	5	1941	5.94	93	93½	93	93½	92
Mont. Tr. "A"	5	1955	6.72	80	80½	79½	80½	79½
Mont. Tr. G. & R. "B"	5	1955	6.75	...	...	...	79½	78½
Do., "C"	4½	1955	5.64	...	...	...	*85	84
Do., "D"	5	1955	6.62	80	81	80½	81	78
N. S. Steel	5	1959	...	...	...	...	*62½	59
Ogilvie Flour "A"	6	1932	6.00	...	...	...	100	...
Do., "B"	6	1932	...	...	...	...	‡100½	100
Do., "C"	6	1932	6.00	...	...	...	100	...
Ont. Steel	6	1943	5.94	100½	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	...	102½	...	...	*107½	106½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	5.12	†91	...	...	*99½	98½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.46	106.75	107.00	....	107.00	105.00
Victory Loan	5½	1933	4.70	101.50	101.00	....	101.00	100.25
Do.	5½	1934	5.10	100.60	101.15	100.65	101.15	99.25
Do.	5½	1937	3.83	108.00	108.15	107.25	108.15	104.00
Do., refund	4½	1940	5.47	93.25	93.75	92.75	93.75	91.50
Do., refund	5	1943	5.20	97.75	98.25	....	98.25	95.38
Do., refund	4½	1944	5.38	92.00	92.25	....	92.25	89.50
Do., refund	4½	1946	5.27	91.75	....	....	92.25	....
Do., renewal	5½	1932	3.95	100.50	100.60	....	100.60	99.87
Conversion Loan	4½	1956	5.23	90.00	....	....	90.00	88.25
Do.	4½	1957	5.26	90.00	....	....	89.50	....
Do.	4½	1958	5.05	92.50	92.75	92.00	92.75	88.50
Do.	4½	1959	5.03	91.75	92.25	....	92.25	89.00
Nat. Service Loan	5	1936	5.24	98.75	....	....	98.00	96.25
Do.	5	1941	5.28	97.50	98.00	....	98.00	94.90

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd., Canada Permanent Bldg., Toronto, Ont.
March 14, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 April	78.40	6.15
Alberta	5	1 July, 1943	1 July	89.85	6.25
Alberta	6	1 Apr., 1936	1 April	97.50	6.65
*British Columbia	4½	1 Oct., 1953	1 April	81.80	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.60	6.00
British Columbia	6	15 Feb., 1947	15 Aug.	98.50	6.15
Manitoba	4	1 July, 1947	1 July	79.15	6.10
*Manitoba	5	2 Dec., 1959	2 June	85.90	6.05
Manitoba	4½	1 Oct., 1940	1 April	88.70	6.15
*New Brunswick	4	1 June, 1948	1 June	85.32	5.35
*New Brunswick	4½	15 June, 1936	15 June	97.60	5.35
New Brunswick	6	1 Jan., 1936	1 July	101.05	5.70
*Nova Scotia	4½	15 Nov., 1948	15 May	90.60	5.35
Nova Scotia	5	1 May, 1943	1 May	94.95	5.60
*Nova Scotia	6	1 Nov., 1936	1 May	102.60	5.40
*Ontario	4½	1 Sept., 1944	1 Sept.	94.50	5.10
Ontario	5	15 Oct., 1948	15 April	97.00	5.27
Ontario	6	2 May, 1936	2 May	101.25	5.68
P. E. I.	4	1 Apr., 1939	1 April	89.45	5.75
P. E. I.	4½	1 Oct., 1944	1 April	88.65	5.75
*Quebec	4½	1 May, 1961	1 May	89.90	4.00
Saskatchewan	4½	1 Oct., 1944	1 April	82.65	6.50
Saskatchewan	5	1 Oct., 1950	1 April	86.20	6.25
Saskatchewan	6	1 Feb., 1936	1 Aug.	96.50	7.00
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	92.55	5.50
*Toronto	4½	1 Jan., 1955	1 July	87.05	5.50
*Vancouver	5	15 Jan., 1970	15 July	84.45	6.05
Winnipeg	5	1 Mar., 1944	1 Sept.	89.55	6.25
*Edmonton	5½	1 Apr., 1947	1 April	85.95	7.00
Calgary	5	1 Jan., 1943	1 July	84.85	7.00
Halifax	6	1 July, 1951	1 July	100.00	6.00
Saint John	5	15 Dec., 1950	15 June	88.75	6.00
Regina	4½	1 July, 1950	1 July	73.45	7.10
Victoria	5	21 July, 1945	21 July	88.70	6.25
Quebec	5	1 June, 1948	1 June	92.10	5.75

*New York payment.

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto Elgin: 5101 (TEN LINES)

NORANDA MINE SHOWS PROFIT OF $1.07 SHARE

Earnings Decline From Rate Shown in Nine Months Report

ORE RESERVES UP

Mine Developments Disclose Some Spectacular Ore; Gold Output Valued at $5,237,013

Annual report of Noranda Mines for the year ended Dec. 31, 1931, shows net profits of $2,374,041 or $1.06 per share as compared with $1.07 per share for the nine months period ended Sept. 30, 1931, and as compared with $1.72 per share in 1930.

The company has built up a strong liquid position, which at the end of 1931 was $7,924,681 as compared with $6,134,082 at the end of 1930. This made possible a 50 cent dividend on Dec. 29, 1931, after dividends had been passed since October, 1930.

The following is a comparison of income and surplus accounts for 1931 and 1930:

INCOME AND SURPLUS ACCOUNT

	1931 $	1930 $
Metal recoveries	10,506,233	11,967,472
Less: Operating exp.:		
Cost of metal prod.	6,012,384	6,024,679
Admin. & gen. exp.	268,928	260,251
Res. for taxes	660,000	481,041
Int. on bonds	....	....
Net earn. from oper.	3,564,926	5,201,501
Add: Other income..	237,629	451,291
Total income	3,802,555	5,652,792
Less: Prelim. devel. w/o	....	459,967
Res. for deprec.	1,418,542	1,350,710
Outside explor.	9,978	....
Net profit	2,374,041	3,842,115
Less: Dividends	1,119,886	3,919,601
Surplus for year	1,254,155	77,486
Add: Prev. surplus..	3,890,114	3,967,600
Less: Addit. inc. tax 1930	31,382	....
Balance forward	5,112,887	3,890,114
Earn. per Share and Div. Record:		
Earned	$1.06	$1.72
Paid	0.50	1.75

The interim statement of earning of $1.07 per share for the nine months ended September 30, last, gave rise to the hope that the earnings for the whole year would be higher. On the basis of the nine months earnings, the earnings for the full year would have been $1.42 per share. An analysis discloses that production did not decline but that the costs for the full year were at a higher rate, also that the reserve for taxes shown in nine months was inadequate. In all, the costs for the full year were up about $600,000 over what the nine months report indicated as to what might be expected.

Copper Output Curtailed

The company is continuing its policy of reduced copper production and increased gold output during the period of low copper prices, a policy it is able to continue for some considerable period, owing to the variation of its ore bodies.

During the year the smelter averaged about 2,100 tons daily showing a slight increase over the 1930 figures. The total ore shipped for treatment shows a substantial increase over the previous year, with the copper production down due to the greater quantity of low grade ore concentrated.

The gold production was more than double that in 1930, and had a value without premium of approximately $5,237,013.

The following is a summary of production for 1931 and 1930.

Production Summary

	1931	1930
Direct smelting ore shipped, tons	426,008	422,155
Fluxing ore shipped, tons	268,105	252,797
Concentrating sulphide ore shipped, tons..	317,892	173,451
Fine copper prod., tons	31,429	37,754
Gold produced, oz.	253,363	117,393
Silver produced, oz...	558,801	691,920

Ore Reserves Increase

During the year the No. 3 shaft was deepened from 1,534 ft. to 2,527 ft. and eight new levels established and an extensive exploration and development programme carried on, which resulted in a substantial increase in the ore reserves. Fluxing ore treated in 1931, which was more than that shown in the ore reserves at the end of 1930, was increased to 1,030,000 tons assaying .32 per cent copper and $4.42 in gold, about sufficient for four years supply at current capacity. Direct smelting ore reserves were increased to 3,580,000 tons, assaying 7.10 per cent copper and $3.45 in gold, sufficient for about eight years requirements at present capacity. Concentrating ore reserves were increased to 6,350,000 tons assaying 1.54 per cent copper and $3.62 in gold, sufficient for 20 years supply at present capacity.

The important ore discoveries during the year were 800,000 tons of fluxing ore estimated to average $4.50 in gold and a new ore shoot estimated to contain 95,000 tons, averaging $29 in gold and 3.1 per cent copper, at the west end of the "H" ore body between the first and fourth levels. What is regarded as an outstanding find was a massive sulphide ore body underlying the original lens of "H" ore body, which bottomed at a depth of about 1,300 ft. The ore body was struck in deepening the shaft at a depth of 1,600 ft. and continued in massive sulphides to 2,527 ft., the present bottom of the shaft and is known to continue to at least a depth of 2,675 ft.

Claims Staked In Pascalis

Thirty outside claims were examined during the year. Fifteen claims were staked in Pascalis township, Quebec, and options taken on seven groups in the same area. A crew is engaged in prospecting these properties.

The annual meeting of the company is called for April 8, in Toronto.

Dalhousie Oil Co. Earns $26,640 After Write-offs

Annual report of Dalhousie Oil Co. for the year ended December 31, 1931, shows net profits of $26,640 after reserves and write-offs of $38,937 as compared with net profits of $34,231 in 1930 after reserves and write-offs of $22,727.

Gross income was $113,930 in 1931 as compared with $141,012 in 1930. The current assets of the company total $141,349 while the current liabilities total $3,014. During the year the company's wells in the Turner Valley produced 4,245 barrels of crude naphtha, 24,614 barrels of discolored crude naphtha and 9,826 of crude oil.

The annual meeting of the company is called for March 24, in Calgary.

Week's Canadian Quotations—Continued

Active Current Bond Prices

March 14, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	101.	101½	4.70
Dominion of Canada 5½/34	100½	100¾	5.20
Dominion of Canada 5/43	97½	98.	5.22
Dominion of Canada 4½/46	91½	92¼	5.29
Dominion of Canada 4½/56	90.	91.	5.15
Dominion of Canada 5/36	98½	99.	5.28
Dominion of Canada 5/41	97½	98.	5.26
C. N. R. (Dom. of Can. Guar.) 4½/51	90.	90¾	5.26
C. N. R. (Dom. of Can. Guar.) 4½/55	93.	93½	5.22
C. N. R. (Dom. of Can. Guar.) 5/54	95.	96.	5.31
C. N. R. (Dom. of Can. Guar.) 5/69	97½	98½	5.08
Province of Ontario 5/48	96.	96¾	5.25
Province of Ontario 5½/47	100½	100¾	5.38
Province of Ontario 6/35	101.	103.	4.90
Province of Ontario (Hydro) 4½/70	89.	90½	5.35
Province of Quebec 4½/56	92.	94.	4.95
City of Montreal 6/41	102.	104.	5.45
Abitibi Power & Paper 5/53	45.	48.	...
Argentine Gov't. (Ser. B) 6/58	65½	67.	...
Beauharnois Power 6/59	31.	36.	...
Bell Telephone Co. of Canada 1st, 5/57	102.	104.	4.70
Brazil, U. S. of, Ext. S. F. 6½/57	24.	25.	...
British Columbia Power 5/60	79.	83.	6.30
British Columbia Power 5½/60	85.	89.	6.35
British Columbia Telephone 5/60	88.	92.	5.55
Calgary Power 5/60	81.	85.	6.10
Canada Cement 1st Mtge. S. F. 5½/47	90.	93.	6.20
Canada Northern Power Corp. 5/53	74.	80½	6.75
Canada Steamship Lines 6/41	36.	40.	...
C. P. R. Collateral Trust 5/54	89.	94.	5.45
C. P. R. Secured Notes 4½/44	79.	94.	6.45
Chile Republic Ext. S. F. 6/60	13.	13½	...
Columbia Republic Ext. S. K. 6/61	24½	25.	...
Davies, Wm. 6/42	75.	80.	9.00
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	50.	60.	11.00
Dominion Tar & Chemical 6/49	78.	82.	7.90
Dominion Textile 6/49	96.	100.	6.00
Duke Price Power 1st, 6/66	87.	92.	6.60
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	6.80
Eaton, T. Realty 5/49	88.	90.	5.90
Famous Players 6/48	68.	76.	8.80
Federal Grain 6/49	70.	75.	8.85
Foreign Power Securities Corp. 6/49	60.	75.	8.80
Fraser Companies 6/50	30.	40.	...
Gatineau Power, 1st Mtge. 5/56	80.	84.	6.30
Gatineau Power, S. F. Debs. 6/41	76.	80.	9.20
General Steel Wares 6/52	35.	40.	...
Howard Smith Paper Mills 5½/53	61.	65.	9.25
Harris Abattoir 6/47	75.	85.	7.75
Manitoba Power, 1st S. F. 5½/51	65.	70.	8.75
Maple Leaf Milling 5½/49	59.	65.	9.30
Massey-Harris 1st Mtge. 5/47	65.	72.	8.30
MacLaren Quebec Power 5½/61	78.	82.	6.95
Montreal Coke, 1st S. F. 5½/47	95.	98.	5.70
Montreal Island Power 5½/57	88.	92.	6.15
Montreal Light, Heat & Power 5/51	101.	103.	4.75
Montreal Tramways 1st Coll. Trust 5/41	93.	96.	5.55
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	80.	84.	6.35
Moodie, J. R. 6/48	85.	90.	7.00
Ontario Power Service 5½/50	68.	74.	8.30
Ottawa Valley Power 5½/70	91.	94.	5.90
Power Corporation of Canada 4½/59	60.	70.	7.00
Price Bros. 1st S. F. Ser. "A" 6/43	50.	60.	11.60
Quebec Power 1st Mtge. Coll. S. F. 5/68	75.	85.	6.00
Shawinigan Water & Power 4½/70	83.	86.	5.35
Shawinigan Water & Power 5/70	93.	96.	5.25
Simpsons 6/49	78.	80.	8.20
Southern Canada Power 1st 5/55	91.	96.	5.30
United Securities Coll. Trust 5½/52	80.	90.	6.37
West Kootenay Power 5/56	85.	88.	6.00
Windsor Hotel 6½/43	89.	93.	7.40
Windsor Hotel 6/47	75.	85.	7.70
Winnipeg Electric 5/35	90.	100.	5.00

Foreign Exchange

	New York Funds High (Premium) %	New York Funds Low %	Last Year High (Premium) %	Last Year Low %
March 9	12½	11¾	Par	*1-64
March 10	12	11¼	Par	*1-64
March 11	12 1-16	11½	Par	*1-64
March 12	12 1-16	11½	Par	*1-64
March 14	12⅛	11⅞	1-64	Par
March 15	12	11⅛	1-64	1-64

*Discount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
March 9	3.69¾	3.92⅞	5.18⅜
March 10	3.62	3.93¾	5.18⅜
March 11	3.63	3.93 7-16	5.18¼
March 12	3.62½	3.93¼	5.18¼
March 14	3.62⅝	3.93⅛	5.18
March 15	3.62⅜	3.93⅜	5.18

FOREIGN EXCHANGE

Par		Mar. 1	Mar. 8	Mar. 15
5.26	Italian	5.86¼	5.77½	5.80¾
23.80	German	26.88½	26.46½	26.65
13.90	Belgian	15.71	15.44½	15.60½
49.80	Japanese	38.42	36.15	36.68

Winnipeg Grain Prices

Crop Year from Aug. 14 High	Low		Open Mar. 9	High for week	Low for week	Close Mar. 15
		Wheat				
.76⅛	.55⅞	May	.67½	.67⅞	.64½	.65
.77⅜	.61½	July	.69¼	.69¾	.65⅝	.66⅝
.72⅛	.63⅞	Oct.	.70⅜	.71⅛	.67½	.68¼
		Oats				
.38	.28	May	.32⅞	.33¼	.31½	.31⅛
.37½	.31⅝	July	.33	.33	.31⅝	.31⅜
		Barley				
.47⅞	.32¼	May	.43⅞	.44⅜	.41⅞	.42¼
.45¼	.38¼	July	.43⅞	.44⅝	.41½	.42
.43½	.38⅛	Oct.	.43⅛	.43⅝	.40⅞	.41⅛
		Flax				
1.21	.97½	May	1.07	1.07½	1.03½	1.03⅜
1.16½	1.00½	July	...	1.07½	1.04½	1.04¼
1.09½	1.06	Oct.	...	1.09¼	1.06	1.06
		Rye				
.59½	.32⅛	May	.52⅜	.54	.49¼	.50¼
.59	.43⅞	July	.54	.55	.50⅛	.51⅛
.55⅞	.52⅞	Oct.	...	.55⅞	.52⅞	.52¼

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to March 15

High *to date	Low		Close Mar. 8	High for week	Low for week	Close Mar. 15
		Wheat				
.72	.53⅞	May	.62½	.62½	.59	.60
.64½	.53⅞	July	.64	.64	.60½	.61½
.66½	.63½	Oct.	.66½	.66	.63½	.64

*Since trading opened March 3, 1931.

Mining Stock Quotations

Week Ending March 14.

Par Val.	Range 1932 High	Low	Company	Sales	Close Mar. 7 (or last)	High for week	Low for week	Close Mar. 14
1	.05¾	.04	Abana	......	.05	.....	.....	.....
1	.02	.01	Aconda	......	.01	.....	.....	.....
1	*.05¼	.03¼	Adrien	......	.04⅞	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.04½	Alexandria	57,200	.08	.08½	.07½	.07½
1	.01½	.00½	Algonquin	5,000	.00¾	.01¼	.00¾	.01¼
1	.01	.00½	Amity C.	......	.00¾	.....	.....	.....
No	.22	.15	Amulet	3,929	.15	.16	.15	.15
1	.00¼	.00¼	Apex	4,000	.00¼	.00¼	.00¼	.00¼
1	.02⅛	.01	Area	......	.01⅛	.....	.....	.....
1	*.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.03	.01½	Arno	70,500	.02	.02¼	.01¾	.02
1	.02	.02	Astoria	......	.02	.....	.....	.....
1	*.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.07	.03½	Bagamac	25,500	.06¼	.07	.06¼	.07
1	.00¾	.00½	Baldwin	3,500	.00¾	.00¾	.00¾	.00¾
1	.11	.05¼	Barry Hollinger	7,500	.06	.06½	.06	.06
	.12	.12	Do., new	1,000	.....	.12	.12	.12
No	1.00	.75	Base Metals	100	.75	.80	.80	.80
No	*.04	.00¾	Bathurst	......	.03	.....	.....	.....
5s.	*1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.12	.05	Bidgood	4,800	.05½	.06	.05	.05½
1	.16½	.10½	Big Missouri	4,900	.11	.11½	.11	.11
1	*.05½	.04¼	Blue Quartz	......	.04½	.....	.....	.....
1	.05⅛	.02¼	Bobjo	23,800	.05¼	.05¾	.05	.05¼
No	*.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.08	.04	Brett Trethewey	......	.06¼	.....	.....	.....
No	.03	.02	Brownlee	15,500	.02⅛	.02½	.02	.02¼
1	.00½	.00½	Buckingham	......	.00½	.....	.....	.....
No	.33½	.22½	Buffalo Can.	30,600	.32½	.35	.32½	.35
No	.02½	.01½	Bunker Hill	......	.02	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
1	*.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.03	.03	Canam Metals	......	.03	.....	.....	.....
1	.03½	.01½	Can. Kirkland	21,000	.02	.02	.01½	.01½
1	.09	.04	Canusa	38,500	.05½	.06	.05	.05
1	.02¼	.00½	Capital Rouyn	1,000	.00¾	.00⅞	.00⅞	.00⅞
1	.04¼	.02¼	Cartier Malartic	......	.03½	.....	.....	.....
1	.15	.12	Castle Trethewey	4,000	.14	.13½	.12	.12
1	.08	.06	Cen. Manitoba	7,100	.07	.06½	.06	.06½
1	.07½	.04	Cen. Patricia	......	.05½	.....	.....	.....
1	*.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.07½	.05	Chibougamau Pros.	500	.06	.05	.05	.05
No	.01½	.01	Clericy	2,000	.01½	.01½	.01½	.01½
5	3.00	1.50	Coast Copper	360	1.75	2.00	1.75	1.75
1	.02	.01	Cobalt Contact	5,000	.01½	.01¼	.01	.01
No	.16	.15	Cobuc	7,200	.16	.15½	.15	.15½
1	*.02	.00½	Col. Kirkland	......	.00½	.....	.....	.....
1	.08	.05	Columario	6,500	.06	.06	.05	.06
5	.80	.75	Coniagas	......	.80	.....	.....	.....
No	.40	.30	Coniaurum	1,000	.30	.30	.30	.30
25	75.00	64.00	Cons. Smelters	685	74.00	74.50	70.50	70.50
1	*.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	*.01	.00½	Corona	......	.00½	.....	.....	.....
1	.01½	.00½	Crown Reserve	......	.01½	.....	.....	.....
No	.10	.06¾	Dom. Explorers	22,700	.07½	.08	.06¾	.08
1	*.03	.00½	Dom. Kirkland	......	.00⅞	.....	.....	.....
No	12.50	9.25	Dome Mines	8,075	11.85	12.20	11.40	11.50
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
No	*.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	*.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	*.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.55	1.05	Eldorado	66,850	1.32	1.41	1.27	1.31
No	1.05	.80	Falconbridge	1,650	.85	.90	.85	.85
1	.04	.02	Federal	17,500	.02½	.02½	.02½	.02½
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.04½	Gem Lake	5,500	.05	.05	.04½	.04½
No	*.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.02	.01½	Goldale	3,000	.02	.02¼	.01¾	.02¼
10	.11	.10	Goldfield	......	.11	.....	.....	.....
1	.00½	.00½	Gold Hill	1,000	.00¾	.00⅞	.00⅞	.00⅞
1	.04	.03½	Goodfish	500	.03½	.04	.04	.04
1	.01	.00½	Graham	......	.00½	.....	.....	.....
No	1.25	.90	Granada	9,500	1.04	1.14	1.06	1.08
1	.22	.09	Grozelle	1,000	.09	.10	.10	.10
No	*.30	.29	Halliwell	......	.29	.....	.....	.....
1	.02⅜	.01½	Harker	14,200	.02	.02⅛	.02	.02¼
1	.01⅛	.01	Hilltop	14,500	.01⅛	.01⅛	.01⅛	.01⅛
5	5.70	4.90	Hollinger	6,435	5.10	5.20	5.00	5.10
1	.36	.30	Howey Gold	13,825	.33	.33	.32	.32
No	2.78	2.00	Hudson Bay	1,420	2.35	2.45	2.27	2.43
No	.20	.15	Huronian	1,200	.20	.15	.15	.15
No	11.00	8.50	Int. Nickel	10,342	9.75	10.00	9.00	9.00
1	.01⅞	.01¼	Jackson Manion	3,000	.01⅝	.01¼	.01¼	.01¼
1	.23	.15	Keeley	600	.15	.23	.23	.23
1	.02⅜	.01	Keora M.	......	.01⅞	.....	.....	.....
1	.70	.40	Kirk. Hud. Bay	4,350	.45	.65	.50	.65
1	.02¼	.00⅞	Kirk. Hunton	......	.01	.....	.....	.....
1	.55	.42	Kirkland Lake	9,900	.45	.46½	.43	.46
1	.03½	.01½	Kirk. Premier	22,200	.02⅜	.03¼	.02¼	.02¼
1	.13	.08	Kirk. Townsite	2,000	.08¾	.09	.08¾	.08¾
20c	.01⅛	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.15	.15	Lakeland	......	.15	.....	.....	.....
1	29.50	27.20	Lake Shore	745	29.00	29.00	28.60	28.70
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.06⅛	.01½	Lebel Oro	25,700	.02½	.06⅛	.03½	.06⅛
No	*.35	.35	Locarno	......	.35	.....	.....	.....
1	.40	.29½	Macassa	5,200	.34	.31½	.30	.30
1	.05	.02½	Malartic	4,000	.04	.05	.04	.04
No	.05	.04	Mandy	......	.04	.....	.....	.....
No	.01½	.00½	Manitoba Basin	1,000	.00¾	.01	.01	.01
1	.35	.26¼	McKinley	775	.30	.30	.26¼	.26¼
5	19.50	16.50	McIntyre	1,675	17.75	17.75	17.00	17.75
No	.09½	.03⅞	McLeod River	139,800	.07½	.07½	.06¼	.06¼
1	*.04	.04	McVittie	......	.04	.....	.....	.....
1	*.29	.03	MacMillan	......	.10	.....	.....	.....
No	1.43	.85	Mining Corp.	2,390	1.13	1.12	1.07	1.07
1	.08¼	.03½	Moffatt Hall	123,250	.03⅞	.05¼	.03⅞	.04¼
1	.02¾	.02¾	Moneta	25,000	.02¾	.02¾	.02¾	.02¾
1	*.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.40	.30	Moss	26,050	.38	.39½	.34	.38
1	.02½	.01¼	Murphy	1,100	.01¼	.01¼	.01¼	.01¼
No	.03	.02	Newbec	8,000	.02	.02¼	.02	.02
1	*.40	.25	Nevada	......	.25	.....	.....	.....
1	*.90	.02	Night Hawk	......	.02	.....	.....	.....
5	1.15	.80	Nipissing	1,790	1.00	1.00	1.00	1.00
No	19.50	15.00	Noranda	44,157	17.30	19.50	17.25	18.50
No	.24	.17	Nor. Canada	1,200	.20	.18	.18	.18
No	.01	.00½	Old Colony	1,000	.00½	.00½	.00½	.00½
1	*.01	.00½	Ophir	......	.00½	.....	.....	.....
1	*.10½	.02	Oriole	......	.02	.....	.....	.....
1	.08	.05	Osisko	4,000	.06	.06	.06	.06
1	.08	.08	Parkhill	......	.08	.....	.....	.....
1	.13¼	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk	1,500	.01½	.02	.02	.02
No	1.15	.85	Pend Oreille	[illegible]	1.06	1.05	.94	.94
1	.01	.00½	Fetc. Cobalt	......	.01	.....	.....	.....
	.25	.18¾	Phoenix Molybd.	......	.25	.....	.....	.....
1	*.01¼	.00½	Picard	......	.00½	.....	.....	.....
1	3.86	3.10	Pioneer Gold B. C.	......	3.31	.....	.....	.....
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	*.02½	.00½	Porc. Crown	......	.00½	.....	.....	.....
1	.02	.01	Potter Doal	1,000	.02	.01½	.01½	.01½
1	*.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.63	.57	Premier Gold	1,400	.59	.61	.57	.58
1	.00⅞	.00⅞	Preston E Dome	1,000	.00⅞	.00⅞	.00⅞	.00⅞
No	.30	.15	Prospectors Air's.	3,000	.25	.30	.30	.30
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.04	Quemont	3,215	.05	.05	.05	.05
1	.02½	.01	Ribago	73,500	.02½	.02½	.02	.02
1	*.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.02¼	.01½	Ritchie	24,000	.01⅞	.02	.01½	.02
1	.01⅛	.00⅞	Robb Montbray	......	.00⅞	.....	.....	.....
No	.41	.25	San Antonio	5,648	.33	.41	.39	.40
1	.09	.09	Seven Troughs	......	.09	.....	.....	.....
1	.65	.48	Sherritt Gordon	5,031	.50	.50	.48	.50
1	.70	.50	Siscoe	61,285	.66	.70	.65	.69½
1	.03	.01½	South Keora	7,000	.02	.01½	.01½	.01½
No	.02¼	.01⅛	Stadacona	18,000	.01½	.01½	.01½	.01½
1	.17	.07½	St. Anthony	4,000	.12	.10	.10	.10
No	.45	.34	Sudbury Basin	100	.35	.34	.34	.34
1	.01¼	.00½	Sudbury Contact.	......	.01⅛	.....	.....	.....
1	.01	.00½	Sudbury Mines	10,000	.00¾	.00⅞	.00⅞	.00¼
No	*.04¼	.01	Sudbury Nickel	......	.03⅛	.....	.....	.....
1	.11	.09	Sullivan	2,000	.10	.11	.10	.11
1	.65	.52½	*Sylvanite	7,200	.58	.57	.56	.56¼
1	.07	.02¼	Tashota	7,500	.02½	.03	.02¼	.03
1	5.25	4.12	Teck Hughes	36,566	4.43	4.95	4.38	4.87
1	*.10½	.01	Telluride	......	.01	.....	.....	.....
1	*.01½	.01	Temiskaming	......	.01½	.....	.....	.....
1	.03	.02	Thom. Cadillac	1,000	.03	.02½	.02¼	.02½
1	*.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.40	.25	Towagmac	2,000	.25	.25	.25	.25
No	2.50	1.01	Treadwell	1,705	1.65	2.50	1.80	2.00
No	*2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.09½	.05	United Kirkland	......	.05	.....	.....	.....
1	.01⅛	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.42½	Ventures	11,300	.44	.45	.43	.44
1	.17½	.14	Vickers	......	.15	.....	.....	.....
1	.45	.30	Vipond	2,800	.32	.35	.30	.33
No	1.00	.50	Waite Ackerman	250	.50	.82	.75	.79
1	*.02½	.01	West Tree	......	.01	.....	.....	.....
1	.07	.03	White Lake	1,000	.06	.06	.04½	.04½
1	*.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	*.01½	.00½	Windfall R.	......	.01	.....	.....	.....
	*.13	.03¼	Wood Kirk	......	.04	.....	.....	.....
No	3.06	2.55	Wright-Hargreaves	12,581	2.71	2.80	2.65	2.78
			OIL STOCKS					
1	.19	.13	Acme	6,966	.14	.15½	.13	.13½
1	1.17	.90	Ajax	26,050	1.10	1.15	1.06	1.10
1	.12	.05	Alta. Pacific	820	.09	.08½	.07	.08
1	.03¼	.02	Askalta	......	.03	.....	.....	.....
No	.10	.04½	Associated	......	.05	.....	.....	.....
No	.04	.02	Baltac	......	.02	.....	.....	.....
	.05½	.00¾	Benton	6,000	.00¾	.01	.00½	.01
1	*.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion	......	.04½	.....	.....	.....
No	.38	.28	Calgary & Ed.	250	.30	.30	.28	.28
1	.09	.05	Calmont	2,310	.05	.06	.05	.06
1	.11	.07½	Comm. Pete	......	.09½	.....	.....	.....
No	*.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.20	.15	Dalhousie	380	.16	.18½	.17	.18
No	*.08	.01	Devenish	......	.01½	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00¾	.....	.....	.....
No	.12	.04	East Crest	675	.11	.11¼	.10	.11¼
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.07	.07	Foothills	......	.07	.....	.....	.....
No	.03¼	.03	Freehold	......	.03½	.....	.....	.....
1	.02	.00½	Great West	100	.02	.00½	.00½	.00½
No	.05	.04	Hargal	......	.05	.....	.....	.....
No	*.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.05	.04	High Sarcee	......	.04½	.....	.....	.....
No	.47	.23	Home	4,270	.28	.27	.23	.25
No	.05	.03	Homestead	......	.03½	.....	.....	.....
1	.48	.24	Homest'd O. & G	11,100	.46	.47	.43	.46
1	.01	.00½	Illinois Alta	3,500	.00¾	.00½	.00½	.00½
No	.02½	.00½	Lethbridge Pete	13,000	.00¾	.00⅜	.00½	.00⅜
No	*.70	.10½	Lowery	......	.18	.....	.....	.....
1	.02	.01	Madison	3,500	.01½	.01	.01	.01
1	.15	.13	Mayland	600	.15	.15	.13	.14½
No	.04	.03¼	McD. Segur Ex.	......	.03¾	.....	.....	.....
1	.04½	.03½	McD. Segur N.	......	.03½	.....	.....	.....
1	.50	.22	McLeod	200	.37	.40	.40	.40
No	.10½	.08	Mercury	2,100	.09	.09	.08½	.08½
No	.08	.05	Merland	......	.05	.....	.....	.....
No	.13	.10	Mill City Pete	500	.11	.13	.13	.13
1	.18	.16½	Model	......	.18	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.04½	Moose Mountain	......	.04½	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.06	Nordon	10,700	.06½	.07	.06	.06
No	.04½	.03	Oil Selection	......	.03	.....	.....	.....
No	.05	.04	Okalta	......	.04	.....	.....	.....
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.20	.12	Olga Gas & Oil	......	.14½	.....	.....	.....
No	.06½	.02	Penn. Pete	58,800	.04	.04¾	.03⅞	.03⅞
1	.28	.17	Petrol	5,000	.18	.20	.20	.20
No	.14	.09	Ranchmen's	1,275	.12	.12	.10	.12
1	.01	.00⅞	Regent	100	.01	.00¾	.00½	.00¾
No	.02½	.01½	Richfield	......	.02	.....	.....	.....
No	6.65	5.50	Royalite	171	6.40	6.00	5.50	5.75
1	.10	.05	Sarnia Oil	500	.06	.07	.07	.07
1	.03	.01½	Signal Hill	......	.02½	.....	.....	.....
No	*.27	.05	South West Pete.	......	.10	.....	.....	.....
1	.20	.17	Spooner	50	.18	.17	.17	.17
No	.11	.06	Sterling Pacific	750	.06	.07	.07	.07
1	.11	.07½	Turner Valley	125	.11	.07½	.07½	.07½
No	.08	.06	United	2,175	.07	.06½	.06	.06
1	.09½	.08	Vulcan	......	.08	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
1	*.28	.08	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to March 9)					
25c	.00½	.00¼	Bayview	4,000	.00½	.00⅞	.00⅞	.00⅞
20c	.05	.03½	Beaver Silver	1,000	.05	.04½	.04½	.04½
25c	.02½	.02	Bluebird	......	.02	.....	.....	.....
1	.12½	.07½	Bridge River Cons.	2,500	.07½	.07½	.07½	.07½
1	*.80	.40	B.C. Silver	......	.40	.....	.....	.....
25c	*.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.08	.06	Cotton Belt	......	.08	.....	.....	.....
1	*.03	.02	Dalhousie Mines	......	.02½	.....	.....	.....
1	*.04	.02	Dunwell	......	.02	.....	.....	.....
1	*.10	.02	Duthie	......	.02½	.....	.....	.....
1	.45	.45	George Copper	......	.45	.....	.....	.....
50c	.01⅛	.01½	Geo. Enterprise	......	.01¾	.....	.....	.....
1	.04½	.02½	Georgia River	17,000	.03	.03¼	.03¼	.03¼
1	.24	.20	Golconda	300	.21½	.20	.20	.20
50c	.08	.05	Grandview	3,200	.05½	.06	.05	.06
25c	5.25	5.25	Hecla Mining	......	5.25	.....	.....	.....
No	*27.50	15.00	Howe Sound	......	21.35	.....	.....	.....
1	.11	.09	Intern. Coal	6,000	.11	.11	.10	.11
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00¾	.00½	Kootenay King	4,175	.00¾	.00¾	.00½	.00½
25c	*.02	.00¾	L. & L.	......	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold	27,126	.14½	.16	.14½	.14½
1	*.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
10c	.02	.02	Lucky Jim	......	.02	.....	.....	.....
2.50	*.01	.00¾	Marmot Gold	......	.01	.....	.....	.....
5c	.12	.08	Metaline Metals	15,000	.10	.12	.10	.11¼
1	.03	.01½	Morton Woosley	1,250	.01½	.01½	.01½	.01½
50c	.03	.02¼	National Silver	1,000	.02¼	.02¼	.02¼	.02¼
50c	.08½	.04	Noble Five	7,000	.04¼	.04	.04	.04
50c	.01	.01	Oregon Copper	......	.01	.....	.....	.....
1	3.86	3.25	Pioneer Gold	900	3.55	3.40	3.35	3.40
No	.01	.00½	Premier Border	12,550	.00½	.00¾	.00½	.00¾
50c	.08½	.05½	Porter Idaho	3,000	.06	.05¼	.05¼	.05½
No	.28	.20	Reeves McDonald	400	.20	.24	.20	.24
1	.27½	.21½	Reno Gold	9,500	.25	.26½	.25	.26½
1	*.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.04	Ruth Hope	......	.04	.....	.....	.....
1	.03½	.02¼	Silverado	......	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	......	.01½	.....	.....	.....
50c	.01½	.00¾	Snowflake	7,200	.01	.01	.00¾	.01
1	*.45	.25	Sunloch	......	.25	.....	.....	.....
50c	*.02	.01	Topley Rich	......	.02	.....	.....	.....
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.04	Whitewater	1,000	.05	.04	.04	.04
No	.00⅞	.00½	Woodbine	48,500	.00¾	.00¾	.00½	.00¾

*Quotations for 1931.

DIVIDEND PAYERS

	Rate	Yield
Ajax Oil	$3	....
Cons. Smelters	$2.50+a	3.54
Dome Mines	$1	8.69
Granby	50c.	....
Hollinger	65c.+5	13.72
Howe Sound	$2	....
Lake Shore	$2+50c.	8.71
McIntyre	$1	5.63
McLeod Oils	5c.	....
Noranda	50c.	2.70
Premier	12c.	....
Pioneer, B.C.	12c.	3.52
Royalite	50c.	....
Siscoe	4c.	....
Sylvanite	4c.	....
Teck Hughes	60c.	12.32
Wright-Har	10+2½c.	4.49

a. Stock bonus 1 share for each 20 shares held.

FIRMS SEE WAYS FOR MORE TRADE WITH AUSTRALIA

(Continued from page 9)

for Canada on electric ranges now stands at 32½ per cent with the U. S. tariff 40 per cent. When the 10 per cent primage tax is added the differential is even more marked in favor of Canada. The discount on the Canadian dollar is a further advantage at the present time.

Canadian manufacturers point out, however, that as was the case with the important trade treaty between Canada and Australia consummated last fall, the advantages are probably more potential than real at the present time due to the heavy handicap which the discount on Australian funds places on exports from this and, indeed, all countries. Furthermore, the new rates which were announced by the United Party Government on February 25, do not remove the prohibitions and surtaxes on a great many other items chief of which from the Canadian point of view are structural steel pipe, motor car chassis, canned vegetables, radios, rubber shoes and tires and refrigerators.

Items Affected

Agricultural implements affected by the change are cultivator harrows, scarifiers, stump-jump plows, drills, reaper threshers, and harvesters, and horse-drawn rakes. Three years ago Canada exported $1,500,000 of agricultural implements to Australia but for the fiscal year ending March 31, 1931, this total dropped to $300,000. The new rate for Canada now that the prohibition against their import has been removed will be 30 per cent which is the general tariff paid also by U. S. A.

Trade in electrical appliances between Canada and Australia amounting to $300 000 annually. dwindled to about $60,000 last year with the prohibition against imports in effect.

Canada's exports of wrapping paper to Australia in the fiscal year ended March 31, 1930, were $174 084 and in the following year, mainly under surtax, $40,593. In consequence of the removal of the surtax on wrapping paper, the full rate against Canada (general tariff) is reduced from 16s. 6d. per hundred weight to 11s.

Prohibitions Remain

The import prohibition remains in force on canned vegetables, wireless sets and head phones, bolts and nuts, wire and other nails, aluminum ware, pipe fittings, shafting, and structural iron and steel and some other articles.

The surtax is retained on rubber sand shoes, rubber tires, refrigerators and parts, articles for games, rolled gold jewellery, gramophone, phonographs and records, belting of leather, rubber and composition, motor car bodies, parts, wind-screens, gears and springs for motor cars, bumper bars, brooms, brushware, cameras, cartridges, boats, toilet preparations, fancy goods, varnishes, paints, and about 20 minor items.

DOES PROFIT SHARING FOR EMPLOYEES PAY?

(Continued from page 9)

down to $47. In 1930 the high point was 58 and the low 55¼. In 1931, the high point was 45¼, showing still for a time a market profit on paper to the employees, but the shares dropped rapidly to a low point of 12¼. The stock is now worth $22 a share, almost one-half of the price at which employees bought in 1929.

Invested in Canada

The Canadian Pacific Railway offered rights at $100 on its stock five times up to 1908. It offered rights at $125 in 1909, $150 a share in 1912, $175 a share in 1913, at $150 a share in 1927, and $170 a share in 1929. It was only in the two latter occasions that employees were also given the opportunity.

There have been wide fluctuations in the stock at times during this period, large drops in market valuations being shown in the years following the outbreak of the war, and a larger drop after the war in 1920 and 1921. But in the main, there was until 1930 a steady improvement in the company's financial position, and in the market valuation which gave recognition of that fact. For 20 years the company had been able to earn more than 10 per cent and paid that amount in dividends with the help of 3 per cent earnings from special sources.

It was a common remark that an investment in C. P. R. common stock was an investment in Canada and one of the best ways of sharing in whatever development comes to Canada.

If earnings had kept up employees and shareholders might have been able to look with comparative indifference at the market valuation. The investor, who is trying to provide for himself, would not need to worry so long as earnings were ample to cover dividends. However, the earnings situation is closely reflected in the market valuation of the stock and that was so in the days of over-weening confidence in 1929 when assets of many companies were given an inflated value based on rosy hopes rather than on realities. Based on income yield, always supposing that the income would be constant, the prices at which employees were allowed to get shares were bargain prices. But the unbelievable has come to pass. The company which paid $10 a share for so long, equal to $2.50 a share on the new stock, has had to cut the dividend in half and in the last year has not been earning even that half dividend from operations.

Admittedly, a return to active business and especially a brisk demand for agricultural, mining, and forest products of Canada, might bring earnings back rapidly to the old figure. Canada is still here and apparently either the British Empire or the world at large will need her products when present surpluses diminish to a point where buyers think it well to buy with less attempt to beat down. Any improvement should aid C. P. R.

The high hopes, however, with which employees of the Canadian Pacific Railway bought the stock of their company in 1927 and 1929 probably made it difficult for them to adjust their minds to a new and unforeseen situation where the railroad companies have had to ask employees to take reductions in salaries and wages. In those days, (i.e., in 1929) a reduction in salary and wages was regarded as more unthinkable than even dividend reductions.

Makes Large Pension Payments

Whatever improvement the future may have in store for the Canadian Pacific Railway—and hopes would be high for considerable improvement in the next few years if it were not for the present disorganized condition of international trade and exchange—the immediate situation is not so encouraging. Special income of the company fell off $10,250,035 in the first 11 months of 1931 and in 1930 the special income had been $20,042,923, so that there was a 50 per cent decline in that.

It must be stated that in addition to these stock offerings the C. P. R. has had a pension fund and there were 1,868 on the pension roll at the end of 1930. Since 1924 payments and pension allowances are greater than they have ever been. The balance of cash and investments in pension fund has dropped from $1,678,442 at the end of 1924 to $1,090,184 at the end of 1930. The company during that period increased its contributions from $500,000 to $750,000. Apparently, $1,000,000 would have been needed from the company to have prevented any further depletion in its pension fund. The company has made a gallant effort to maintain dividends by contributing special money obtained through the liquidation of the Allan line, which had been purchased by it in 1915.

While it was intended to give the employees the benefits accruing to capital owners, the result has been that employees have had a sharp experience of the risks attending such ownership, even in the case of so strong a company as the Canadian Pacific.

This is the second of a series of articles on Canadian profit-sharing plans. The next article will appear in an early issue.

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Canadian Mining News

NICKEL REPORT REVEALS GAINS LAST QUARTER

Production is Tuned to Consumption Requirements

EARNS 22 CENTS

Inventories Not Excessive—Encouraging Trend For Nickel in Many New Fields

Annual report of the International Nickel Co. of Canada for the year ended Dec. 31, 1931, showed a net profit of $5,094,497, equivalent to 22 cents per share on the common stock, as compared with $11,770,060, or 67 cents per share in 1930, and as against common dividend requirements of $6,560,468, or 45 cents per common share.

While the quarterly statement of earnings shows a steady decline in the first nine months of last year, with the earnings on the common shares eight cents each in the first two quarters and one cent per share in the third quarter, it is significant that the last quarter of 1931 showed a net profit of $1,088,640 or over four cents per common share. Despite these higher profits in the last quarter the directors deemed it expedient not to impair the company's liquid position further and dividends, normally due March 31, 1932, were passed.

The following is a comparative statement of earnings for 1931 and 1930:

Income and Surplus Account

The consolidated general income and surplus statement for the year ended Dec. 31, 1931, with comparisons, follows:

	1931 $	1930 $
Earnings of all properties:		
After deduct. man. selling exp., ord. repairs & maint.	10,556,000	13,389,982
Other income	499,792	616,858
Total income	11,055,792	19,006,840
Deduct:		
Admin. & head office expense:		
Gen. office exp. ...	1,328,206	1,552,026
Res'd for inc. & franch. taxes (estim. provision)	507,277	1,229,656
Net oper. income...	9,220,308	16,225,157
Deduct:		
Int. paid & accr...	439,355	481,157
Prov. for deprec. & depletion	3,010,476	3,145,795
Retirement, insur. & other res.	675,979	828,143
Net prof. for yr. ...	5,094,497	11,770,060
Earned surplus beginning of year....	20,646,169	24,958,970
Adjustments:		
Foreign exchange...	342,362	....
Canadian taxes	146,083	....
	20,157,722	24,958,970
Net prof. as above..	5,094,497	11,770,060
	25,252,219	36,729,030
Divs., preferred ...	1,933,937	1,933,919
Common	6,560,468	14,148,941
	8,494,405	16,082,861
Earned surp. end of year	16,757,813	20,646,169
Earnings per Share & Dividends:		
Pref.: Earned	18%	42%
Paid	7%	7%
Common: Earned...	22c	67c
Paid	45c	$1

The above earnings compare with a net profit of $22,235,997, or $1.47 per share, during 1929, the most prosperous year in the company's history.

In 1931 the company pursued the same liberal policy regarding write-offs for depreciation and depletion and while slightly less than in 1930, they exceeded those in 1929. Gross earnings showed a decline of approximately 42½ per cent from the 1930 figures and approximately 64 per cent below the peak year of 1929.

Evidence that the company has curtailed its production in line with consumption is shown in the inventory which is but $370,000 above the 1930 figures.

The liquid position of the company remains strong with current assets exceeding current liabilities by $24,033,045 as compared with $30,103,000 in 1930.

Capital expenditure during the year totalled $4,679,435 as compared with $12,328,918 the previous year. Coincident with the completion of the construction and expansion programme and the general curtailment of operations, the total number of employees of the company were reduced on December 31 to 5,990, as compared with 9,061 at the end of the previous year.

Nickel Sales Fair

Sales of nickel in all forms amounted to 55,739,047 pounds in 1931 as compared with 75,284,352 pounds in 1930, a decrease of 26 per cent. Monel metal sales totalled 13,158,745 pounds in 1931 as compared with 18,961,706 pounds in 1930, a decrease of 31 per cent. Copper sales were 96,919,677 pounds as compared with 109,743,747 pounds in 1930, which in comparison with production figures indicates a high percentage as marketed.

The following tabulation gives a summary of operations in 1931 and 1930:

Ore hoisted, tons:	1931	1930
Garson mine	209,983	277,500
Creighton mine .	301,394	861,770
Frood mine	1,068,978	902,531
Total	1,580,355	2,041,801
Ore concen. & smelt. at Copper Cliff plant	1,347,722	1,472,782
Ore smelt. at Coniston plant	427,717	812,345
Total ore concen. & smelted, tons	1,775,439	2,285,127
Bessemer matte made at Copper Cliff plant	72,747	106,194
Bessemer matte made at Coniston plant..	23,163	57,896
Total matte made, tons	95,910	164,090
Nickel content of matte, tons	38,074	61,112
Copper content of matte, tons	37,778	70,800
Blister copper prod., tons	50,601	59,503
Matte treated in Canada, tons	69,215	137,364
Matte exported, tons	26,017	31,920
Gold recovered, oz...	23,381	22,862
Silver recovered, oz.	822,971	1,067,092
Platinum metals rec., oz.	91,643	68,040
Total value of precious metals recov. $	2,812,834	3,316,420
Precious metals, value per ton, *$	1.58	1.45
Nickel refined (Pt. Colborne) lbs.	31,377,840	61,704,271
Nickel refined (Clydach), lbs.	16,546,740	25,406,746
Platinum metals refined (Acton), oz.	91,644	71,260

*Based on tonnage treated.

Robert C. Stanley, president of the company, who has completed his third decade with the organization, the last as its president, said that several important advances in its use in the last two years of depression and low levels for metals generally, is reflected in many of the important industrial fields, including the amount of nickel used per ton in alloy steel, which has increased 25 per cent as compared with 1930. Nickel used in cast iron per ton of iron castings produced, increased about 20 per cent. Also there is a continued trend in recent years in the more scientific utilization of nickel and chromium on nickel plating. In addition, diversified uses for nickel and nickel alloy show a steady increase.

Mr. Stanley summarizes the outlook for the future as follows:

"The company has become an integrated and essential part of modern industry and therefore must benefit from any improvement in world conditions.

"All of your mines and plants, including new units recently completed, are in excellent conidtion, having ample capacity, economical processes and experienced operating organizations. It is highly improbable that further extraordinary capital expenditures will be required for some time to come and consequently your treasury will not be called upon to meet large cash outlays such as have been faced in recent years.

"Forecasts of any character made at this time may prove entirely misleading; nevertheless your management will continue an aggressive sales and development policy and believes that in due course industry will emerge from the present depression and that the company's future will parallel the progress made in the years following the somewhat similar conditions

Ajax Oil Has $20,037 To Disburse $29,636

Ajax Oil and Gas Co. will pay an initial dividend of three cents per share on April 15, to shareholders of record March 31, shareholders were told at the annual meeting of the company in Toronto this week.

The situation is that the company had $20,037 on December 31, 1931, and dividend requirements are $29,636.

A. J. Anderson, M.P., vice-president of the company, said there was no indebtedness and he believed that by the dividend date the company will be in a position to pay the initial disbursement.

HOWEY DIVIDEND EXPECTED IN 1933 COSTS $2.48 TON

Debt Substantially Reduced — Outlook Brighter

Consideration as to the advisability of payment of a dividend before the end of next year can be expected, shareholders of Howey Gold Mines were told by R. T. Birks, president of the company, at the annual meeting held in Toronto on March 11.

Another bit of gratifying news to the shareholders was that whereas liabilities totalling $550,713 were shown on the balance sheet as at December 31, 1931, this has now been reduced to approximately $365,000. The bank loan has been repaid. The accounts and wages payable have been reduced to about $40,000 and the loan from W. S. Cherry has been reduced from $428,490 to $325,000.

"I feel safe in saying that operating profit for the current year will be somewhere between $400,000 and $500,000 and consequently the loan should be completely wiped out before the end of the year. A surplus, therefore, should be accumulated during 1933 and I believe shareholders will be well advised to expect a dividend announcement before the end of next year,' said Mr. Birks.

Shareholders were also informed that the recoverable grade of ore had been established at $4.10 per ton, but that the lower part of the mine shows substantial improvement, with the ore on the 1,000 ft. level 50 per cent better than that recovered from above the 500 ft. level. As evidence of the progress made in reducing costs, shareholders were told that the average cost in February was $2.48 per ton, including interest and carrying charges on the Cherry loan which itself amounted to $3,000 per month. This compares with an operating cost of $4.25 per ton in 1930 and an average throughout 1931 of $3.35 per ton.

The mill is currently operating at maximum capacity treating 900 tons per day of ore hoisted. No further increases are contemplated until additional ore is proven up. Work is now being directed at exploration below the 1,000 ft. level. The shaft is to be deepened to the 1,350 ft. horizon and another main haulage level established. This programme will require approximately two years to complete.

The directors were re-elected without change.

Sullivan Property Purchased

As evidence of the activity reported adjacent to the property of the Siscoe Gold Mines it is interesting to note that the Sudbury Diamond Drill Co. has purchased a 50 per cent interest in the Sullivan property owned by Beauchinim Bros. for $400,000. It is understood that a new company is to be formed and that the development of the property is soon to be under way.

Plans Power Development

Plans are understood to be progressing for the development of a water power site on the Harricana River, about 20 miles north of Amos, P.Q. Cheap electric power is an important factor in the development of the property south of Amos, and the Siscoe Gold Mines in its annual report emphasized that further expansion could not be undertaken until a source of cheap electric power was available.

McIntyre In Great Bear Lake

McIntyre Porcupine Mines has made arrangements to send H. S. Robinson, field engineer and geologist, into the Great Bear Lake area this season with the intention of acquiring and prospecting holdings in that area. The company has been offered several groups of claims.

PREMIER GOLD REPORT SHOWS PROFITS DOWN

Lower Tonnage and Grade of Ore Cuts Profits to $103,599

TOBURN INDECISIVE

Main Premier Ore Shoot Appears Bottomed Above Fifth Level — Reserves Down

Annual report of Premier Gold Mining Co. for the year ended December 31, 1931, showed operating earnings before write offs of $810,396, equivalent to 16 cents per share, as compared with $1,220,498 or 24 cents per share in the previous year.

Owing to the policy of the company in setting up heavy reserves and write-offs, from which dividends are paid as a return of capital, the actual net profit is difficult to calculate. After write-offs of $706,797 a net profit of $103,599 is shown, as against dividend requirements of $635,713.

The following is a comparative income and surplus account for 1931 and 1930.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Total value of ore sold	1,648,350	2,396,946
Less operating exp.:		
Premier	805,843	924,656
Prosperity		198,735
Adminis. exp.	6,946	6,820
Income taxes	66,529	91,644
Net oper. earn.	769,032	1,175,091
Add: Miscel. inc.	41,364	45,407
Total net earn.	810,396	1,220,498
Less: Deprec.	99,620	150,803
Depletion	370,235	479,822
Amort., Prosperity†	......	201,802
W/o Silverado	......	181,239
W/o Porter-Idaho ..	200,000	200,000
W/o Forty-Nine Min. Co.	36,942	......
Net profit	103,599	6,832
Return of capital from res. for deprec. & deplet.	532,114	1,043,941
Total avail. for divds.	635,713	1,050,773
Less: Dividends	635,713	1,050,773

†This represents entire net earnings from Prosperity, before taxes, depreciation and depletion.

Earnings per Share and Dividend Record:		
Earned*	$0.021	$0.001
Paid	0.12	0.21

*Based on net profit.

Reduced earnings are attributable to curtailed production activities as both lower tonnage and grade of ore were treated; in addition, the average price of silver sold dropped from 38.15 cents per ounce in 1930 to 28.7 cents in 1931. Partially offsetting these factors were lower operating costs which in 1931 were $3.53 per ton as compared with $3.98 per ton in 1930.

The following is a production summary for 1930 and 1931.

PRODUCTION SUMMARY

Premier Group:	1931	1930
Ore mined, tons	242,317	256,836
Ore milled, tons	169,759	151,936
Ore ship. to Tacoma, tons	21,666	52,448
Ore ship. to Granby, tons	50,892	52,452
Concentrat., ship., tons	20,271	15,616
Gold produced, oz. ...	82,394	90,084
Silver produced, oz. .	1,718,376	2,760,787
Bullion receipts, $ ...	*1,648,351	1,996,748
Receipts per ton ore mined, $	6.80	7.77

*Including Prosperity ore.

Ore Reserves Down

As emphasized in previous annual reports, it is apparent that the main Premier ore shoot bottomed as to commercial value slightly above the fifth level with small quantities of profitable grade or persisting down at the eastern end to the sixth level. An aggressive exploration and development programme in 1931 was moderately successful, but the estimate of probable, positive and broken ore reserves declined to 253,623 tons of a gross value of $8.61 per ton, as compared with 369,205 tons having a gross value of $9.55 in 1930.

While it is apparent that the company's Premier mine faces depletion at an increasing rate and that the future of the company as a profitable mining enterprise rests with the development of new properties, it is interesting to reflect on the enviable record made by the company since incorporation in 1919. The total profits since incorporation after taxes and all operating costs, but before depletion and depreciation, stand at a grand total of $19,798,976 from which dividends totalling $15,949,604 have been disbursed to shareholders.

At the Prosperity mine in which the company has 76 per cent interest, operations were suspended in April last owing to low silver prices, after being in production since November, 1929.

At the Porter Idaho property, in which Premier has about 41 per cent interest, operations were suspended on April 11, 1931, owing to low silver prices, after being in production for about ten months.

Toburn Inconclusive

At the Toburn Gold Mines, in which Premier has an option to acquire controlling interest and which was formed in January, 1931, to take title to an option on the Tough-Oakes-Burnside property at Kirkland Lake, development work proceeded with inconclusive results. No ore of any importance was found east of the diabase dike fault crossing the property in a north to south direction. In the 275 ft. strip of territory west of the dike to the Sylvanite eastern boundary, 35,485 tons of ore assaying $14.20 per ton in gold was opened up on four levels from the 542 ft. to the 893 ft. horizon. This ore shoot varied from 45 ft. in length on the 893 ft. level to 200 ft. on the 667 ft. level. It was 30 ft. long on the 542 ft. level and was cut on the 1,018 ft. level. On the 1,210 ft. level ore of much lower grade was encountered.

Owing to the limited amount of ore indicated a revision in the terms of the purchase option has been made, calling for a payment of $195,000 in addition to the initial payment of $5,000, but with no shares in the company going to the Tough-Oakes bondholders. The first payment of $45,000 is due July 7, 1932. Negotiations are under way to reduce this revised option price in view of the report of Morris W. Summerhayes on the property.

During 1931 numerous properties and prospects were examined, but none regarded of sufficient importance to warrant acquiring.

The liquid position of the company remains strong, current assets exceeding current liabilities of $1,749,666 as compared with $1,804,712 in the previous year.

The annual meeting of the company is called for April 5 in Vancouver.

KIRKLAND LAKE REPORT SHOWS $203,051 PROFIT

Tonnage, Recovery and Profits Are Best in History

ORE ZONE GUARDED

Grozelle Property Acquired to Protect Southerly Dip of Deep Workings

Annual report of Kirkland Lake Gold Mining Co. for the year ended Dec. 31, 1931, reflects the best year in the company's history both from the standpoint of tonnage treated, recovery, net profit and liquid position. The net profit for the year was $203,051 after a write-off for depreciation of $24,081, as compared with $6,010 in 1930, after a write-off for development of $74,491.

The following is a comparison of the income and surplus accounts for 1930 and 1931:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1931 $	1930 $
Bullion produced ..	586,251	534,398
Less:		
Operating exp. ..	378,408	442,783
Taxes	3,222	......
Administration ...	19,406	17,124
Oper. earnings	185,205	74,491
Non-oper. income:		
Rent, int. etc.	12,285	6,010
Prem. on gold	29,632	......
Net earnings	227,132	80,501
Less write offs:		
Development	......	74,491
Depreciation	24,081	......
Net profit	203,051	6,010
Prev. deficit	154,310	160,320
Deficit to bal. sheet	......	154,310
Surp. to bal. sheet	48,741	......

The company finished the year with a strong liquid position, showing current assets of $425,776 against current liabilities of $33,678.

The value of the bullion recovered was $586,251 from 52,628 tons of ore treated, an average recovery of $11.14 per ton. In addition, the company received premium on its gold production of $29,632. Operating costs in 1931 showed a further decline to $7.67 per ton with write-offs of 46 cents per ton, bringing the total operating costs to $8.13 per ton, as compared with $8.83 in 1930.

The following tabulation of production since the commencement of operations, exclusive of premium on exchange, shows the total bullion recovered valued at over $3,577,000.

Production

Year	Tons treated	Total Recovery $	Rec. per Ton $
1919	11,324	56,263	4.97
1920	40,812	286,901	7.03
1921	43,966	242,417	5.51
1922	37,489	224,396	5.99
1923	45,449	223,102	4.90
1924	8,091	46,513	5.75
1925	nil		
1926	10,829	126,999	11.75
1927	52,648	473,673	9.00
1928	57,883	414,596	7.16
1929	53,595	352,789	5.58
1930	52,106	533,851	10.24
1931	52,628	586,251	11.14
		3,577,751	

During the year the winze was deepened from the 4,300 ft. to the 4,750 ft. horizon and workings are now the deepest in Canada. Work on the new deep levels is largely of an exploratory nature to determine the ore possibilities at depth and over 50 per cent of the ore treated in 1931 came from above the 3,000 ft. level.

During 1931 Macassa Mines arranged for a drift to be extended along the vein on the 2,475 ft level into the Macassa property, to the west, a distance of 1,248 ft., also a connection was made on the 3,600 ft. level with the adjoining Teck-Hughes property on the east.

In February, 1932, the company through the Northern Canada Mining Corp., purchased controlling interest in the Grozelle Kirkland Gold Mines, which owns adjoining claims on the south of the company's producing section. This acquisition was made in order to protect the southerly extension of the Kirkland Lake Gold Mining ore zone. These claims could not be worked independently on account of the depth at which the vein is likely to enter the property. Therefore, by acquiring control of Grozelle Kirkland, the company has substantially enlarged the scope of its future operations.

Last August the company merged two claims owned along the northerly section of Teck-Hughes, with claims owned by the Pawnee Kirkland Gold Mines, Kirkland Lake Development Co., to form the Kirkland Basin Gold Mines, with an authorized capitalization of 1,000,000 shares of no par value. Tailings of apparent value, from the operating properties have been deposited on these claims. Stock was allotted to the various interest involved in proportion to the acreage of the claims with Kirkland Lake Gold Mining Co. securing control in consideration of the largest acreage.

Jointly with the Northern Canada Mining Corp., a 70 per cent interest was secured in the 35 claims staked in the Echo Bay area, Northwest Territories, last year. The report says these claims were secured at a relatively small cost and it remains to be demonstrated whether they have any value or not. Hope is held that they will prove valuable owing to their favorable geological location.

The annual meeting of the company is called for March 24.

Abana Meeting Called to Oust Present Board

The Mining Corp. of Canada, A. B. Stodart and G. M. Clark, registered holders of over 70 per cent of the issued shares in the Abana Mines, have called a special general meeting of shareholders to be held in Montreal on April 8.

The purpose of the meeting is to pass a resolution removing all present directors and to replace them with a full board representing the majority shareholders.

Over 78 per cent of the Abana shares have been transferred for shares of Normetal Mining Corp., formed by Mining Corp. of Canada when the latter came into possession of the Abana property upon default of a loan made.

Index of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 58.4 for the week ending March 10, as compared with 55.9 for the previous week.

Eleven gold stocks rose from 56.1 to 58.2, four gold-copper stocks from 60.0 to 63.9, and five silver and miscellaneous stocks from 20.4 to 22.3.

Metal Prices

New York—March 15—
Copper: Electrolytic spot, 6c. lb.
London—March 15—
(Long Ton)—
Copper: Electrolytic spot, £36 10s; future, £37 10s.
Standard spot, £33 5s; future, £33 5s.
Tin: Spot, £128 12s 6d; future, £130 5s.
Lead: Spot, £12 5s; future, £12 15s.
Zinc: Spot, £12 10s; future, £13.
Silver: 18⅛d. per ounce.

Dome Not Buyer Grootvlei Shares, Post is Informed

Dome Mines has not acquired a substantial interest in the Grootvlei property adjoining the East Geduld Mines in the East Rand district of South Africa, The Financial Post was reliably informed last week.

There has been considerable speculation as to Dome's added interest in the Rand lately owing to the market activity of the company's shares, and some confusion has arisen owing to the report that the Grootvlei property is being developed from the East Geduld. The Grootvlei is not yet ready for development and it will be probably years before a large development programme will be undertaken—not until the deep workings on the East Geduld property reached the Grootvlei boundary, The Financial Post was informed.

Whatever other interests Dome Mines has in East Africa, has not been disclosed, but it is expected that just as soon as any definite information is available regarding new properties being acquired, Dome shareholders will be advised, probably at the annual meting.

MINING MEETING TO BE BIG AFFAIR

Prominent Engineers Slated to Address Institute

The 33rd annual meeting of the Canadian Institute of Mining & Metallurgy to be held in the Windsor Hotel, Montreal, on April 5, 6 and 7, promises to be a record-breaking conclave of the mining fraternity.

Many interesting papers have been prepared by outstanding mining men, and this year's session promises to outstrip all others in the character, volume and interest of the papers presented. Dr. Chas. Camsell, Deputy Minister of Mines, Ottawa, will address the meeting on the mineral position of the British Empire. Dr. Camsell's study of Canada's mineral resources, in relation to those of the Empire as a whole, was largely instrumental in focusing the attention of the 1930 Imperial Conference in London on the economic problems of the Empire. His study discloses some interesting facts which may be summarized by saying that while the British Empire considered as a whole is very nearly self sufficient as regards minerals, the actual trade in minerals conducted by the various units of the Empire is still very largely with foreign countries.

The address by Dr. J. Mackintosh Bell on "Some Mineral Developments in Northern and Central Asia" is of particular interest since Dr. Bell has just returned from an extensive visit to the Orient, where he took occasion to examine some of the prominent mineral developments in Manchuria that cause the Japanese to take a keen interest in that country.

Among other general addresses that promise to be high spots in the meeting are: "Gold and Silver" by Stephen Leacock; "Gold" by Balmer Neilly; "Metal Refining Facilities in Canada" by R. W. Brigstocke, and the copper situation will be discussed by that international authority on copper, Arthur Notman.

Specific mining undertakings throughout the Dominion will be covered by well-known authorities.

Additional Mining News on Page 15 This Week

McVITTIE-GRAHAM REPORT REFLECTS SHARE REDUCTION

Liquid Assets $107,368 — Alexandria Mine Under Examination

Annual report of McVittie-Graham Mines for the year ended December 31, 1931, reflects the capital reorganization undertaken last September reducing outstanding capitalization to $3,250,000 in $1 common shares.

Of the $500,000 seven per cent cumulative preference shares issued in February, 1928, and upon which no dividends have been paid, $391,100 were redeemed through the sale of certain undeveloped properties of the company to the holders of these shares. The remaining shares were redeemed through purchase at a discount.

The company's principal property holdings are now approximately 1,757 acres in the Sudbury area and it has a 17 per cent interest in 31 mining claims at Great Bear Lake which are to be explored in the coming season. The company is pursuing the policy of conserving its cash and awaiting opportunities to develop interesting properties of merit. Early in 1932 it acquired an option to purchase 50 per cent interest in the Alexandria mines, Phillips Arm, British Columbia. Preliminary exploration is now under way at this property to determine its potentialities before exercising the option.

The balance sheet shows liquid assets of $107,368 with no current liabilities.

The annual meeting of the company is called for March 29 in Toronto.

PLACER MINING IN ATLIN AREA PROVES UNIQUE

French Company Has Large Scale Operations Under Way in B. C.

A placer operation of unusual interest is being conducted on Otto Creek in the Atlin district of British Columbia by a French company known as the Compagnie Française des Mines d'Or du Canada.

It has long been known that the gravel of this stream carries sufficient high values in gold to make it attractive as a mining venture, but it was impossible to ignore the existence of formidable natural obstacles to hydraulicing them and these needed to be taken into serious account before embarking on any costly programme of development.

The gold-bearing gravel of Otter Creek has been completely buried by glacial drift. The creek is consequently not adapted to operations of individual miners, and it is understood that bed rock was never reached in the early operations, although it is estimated that about $225,000 was recovered from exposed sections of the rim rock and from the gravel overlying hard pan.

The title to the Otter Creek leases was originally held by H. Maulin, a French engineer, who is responsible for the organization of the present company and the securing of French capital to back the enterprise.

The method of operation being conducted by the company consists in starting the workings at the farthest possible point downstream and as near as possible to Surprise Lake. In this way, when the sluices reach bed-rock, a maximum area of the valley gravel will lie ahead. All the heavy debris from the moving of the gravel from the sluices is stacked by monitors working at the dump. A large yardage of finer and lighter material finds its way into Surprise Lake.

The natural flow of water in Otter Creek is insufficient to deal successfully with the rather excessive amount of glacial drift overburden, which lies directly over the gold-bearing gravel. It was, therefore, necessary to secure an adequate supply of water and this was done through a system of flumes of between 10 and 11 miles in length which gives a water supply of about 1,200 miners inches drawn from Otter, Snake and other creeks under a head of nearly 200 ft., sufficient to supply one five-inch and one six-inch monitor.

The operations at this property are of particular interest owing to the problems presented and the manner in which they were solved and also because it presents certain features which might be successfully applied to placer operations elsewhere in British Columbia.

Gold Shipments to U. S. Year to Date $15,056,000

Shipments of gold from Canada to the United States since the beginning of the year, up to and including the week ending March 9, have amounted to a total of $15,056,000. This is equivalent to about 1½ million dollars a week, although actually there were three weeks in which no shipments were made.

The heaviest movement was made during the week ending February 17 when $4,010,000 was transferred.

While the order-in-council of October last prohibiting the exportation of gold from Canada except under license expired on March 1 and technically Canada is once more on a free gold basis, the situation actually remains unchanged in that the minister of finance continues to exercise surveillance over gold shipments and no exports may be made except upon express permission.

Following table shows gold shipments to the U. S. by weeks:

Gold Movement from Canada to the U. S., 1932

Jan. 6 ...	....	Feb. 10 ..	$1,070,000
" 13 ...	$1,971,000	" 17 ...	4,010,000
" 20 ...	1,900,000	" 24 ...	......
" 27 ...	....	Mar. 2 ...	983,000
Feb. 3 ...	2,108,000	" 9 ...	3,014,000

Radio Sales Show Gain

Radio sales in Canada during the months of July, August and September, 1931, by manufacturers and authorized importers totalled 76,908 receiving sets valued at $4,641,237 factory selling prices. The sale of 76,908 sets during this period more than doubled the figures for the preceding quarter when only 28,092 sets were sold and marked an advance of 60 per cent over the 47,653 machines sold in the first three months of the year.

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MOSS GOLD MINES TUNES NEW MILL INTO PRODUCTION

New Mill Operating at 150 Tons Daily—Shaft Deepened

Annual report of Moss Gold Mines for the year ended Dec. 31, 1931, shows an expenditure on mine development and equipment during the year of approximately $300,000 preparing the property for production operations at the rate of 150 tons daily. After practically completing its development and construction programme the company is left with a working capital of $104,188, comprising current assets totalling $123,565 and current liabilities of $19,377.

Since the end of the year the property has been brought into production and is currently treating approximately 150 tons daily, and thus one of Ontario's earliest gold mines pioneers the Thunder Bay district back into the ranks of the producers.

Norman R. Fisher, president of the company, commented on activities in part as follows:

Shaft Down to 775 Feet

"The ore bodies have already been prepared to permit of a steady supply of ore to the mill. During the year the shaft was deepened from the 375 ft. level to a depth of 775 ft. from the surface, and new levels established at depths of 500, 625, 750 ft. The lateral work so far accomplished on the three lower levels is insufficient to warrant any estimate of the tonnage of ore available there. The work done, however, has demonstrated that No. 1 vein system is incomparably better in the lower workings than it is in the upper, so that all things considered, it may conservatively be assumed that the indicated tonnage of commercial ore has been considerably more than doubled since the last report.

"Naturally it cannot be foretold definitely just what the actual grade of the mill feed will be, as this will depend so much on the amount of dilution that will take place during stoping operations and through the addition of ore from development facts."

Cattle Shipments from Saint John

Cattle shipments from the Port of Saint John in the 1932 season have begun, the first load numbering about 200. This will be followed shortly by another similar shipment.

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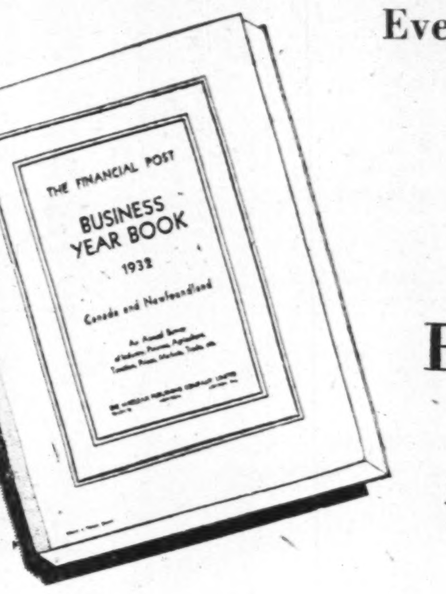

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